

## ***MHEC in Michigan***

*February 16, 2006*



## **MIDWESTERN HIGHER EDUCATION COMPACT**

**Cost Savings ♦ Student Access ♦ Policy Research**



## **MHEC in Michigan**



## **MHEC's MISSION**

**Advancing Midwestern higher education through  
interstate cooperation and resource sharing**

### **CORE FUNCTIONS**

**Cost Savings**

**Student Access**

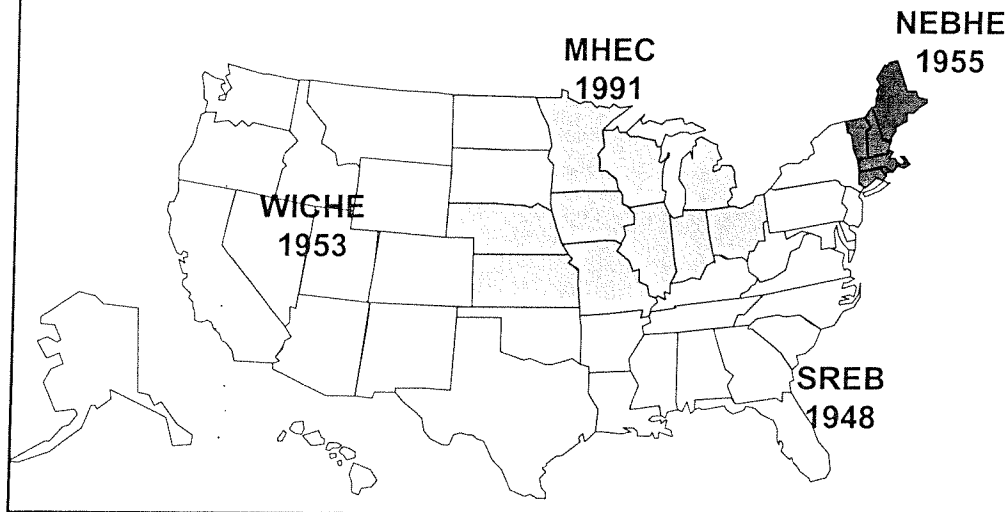
**Policy Research**



## MHEC in Michigan



# INTERSTATE COMPACTS

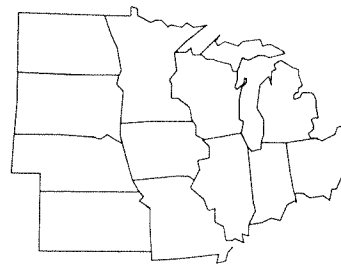


## MHEC in Michigan



# THE MIDWEST

- 22.4% of the nation's population (Census Bureau, 2004)
- 20.8% of the nation's two-year college enrollments (IPEDS, 2003)
- 23.4% of the nation's four-year college enrollments (IPEDS, 2003)
- 22.9% of the nation's Associates degrees awarded (IPEDS, 2002-03)
- 25.6% of the nation's Bachelors degrees awarded (IPEDS, 2002-03)





**MHEC in Michigan**



## **THE COMMISSION**

- Governs the Compact
- Five Commissioners from each member state
- Acts as an instrumentality of state government in each of the eleven member states
- Serves all sectors of public and private higher education and state government



**MHEC in Michigan**



## **MHEC OFFICERS**

*Chair* – Senator Teresa Lubbers (IN)

*Vice Chair* – William Napier,  
Cleveland State University (OH)

*Treasurer* – William Goetz,  
Office of the Governor (ND)

*President* – Larry Isaak



## MHEC in Michigan



### COMMISSIONERS SERVING YOUR STATE

Lieutenant Governor John D. Cherry

David L. Eisler, Ferris State University

State Senator Mike Goschka\*\*

Conway A. Jeffress, Schoolcraft College

State Representative Lorence A. Wenke\*\*

Edward Blews, Association of Independent Colleges &  
Universities of Michigan (Alternate)

Michael Boulus, Presidents' Council State  
Universities of Michigan (Alternate)

\*\* Executive Committee Members



## MHEC in Michigan



### COST SAVINGS

Computing Hardware Programs

NOVELL/MHEC Higher Education Collaborative

MHEC/Office Depot Program

MHEC ATAlliance Programs and Services

Insurance Programs

Other Initiatives





## MHEC in Michigan



	04-05 Savings	Cumulative
<b>Cost Savings Programs</b>		
Hardware Program	\$2,099,381	\$3,897,938
Software Program	\$324,177	\$711,872
Property Insurance Program	\$486,026	\$5,073,064
Office Products Program	\$11,283	\$11,283
Telecom & Technology	\$2,379,500	\$36,906,408
Other Initiatives	N/A	\$2,457,168
<b>Student Access</b>		
Midwest Student Exchange Program	\$1,294,700	\$7,308,500
<b>Total Savings</b>		
	\$6,595,067	\$56,366,233
<b>Member State Obligations</b>	\$82,500	\$835,500
<b>Net Savings</b>	\$6,512,567	\$55,530,733



## MHEC in Michigan



# STUDENT ACCESS

Midwest Student Exchange Program  
Student Access Advisory Committee



**MHEC in Michigan**



## **MIDWEST STUDENT EXCHANGE PROGRAM**

- Provides reduced tuition for students from KS, MI, MN, MO, NE, ND & WI
- State approval required for institutions to participate
- Institutions' participation voluntary
- 125+ campuses open their doors to MSEP students
- Since 1994, 17,000+ students have participated and those students & families have saved \$49+ M



**MHEC in Michigan**



### **MSEP 2004-05 School Year Campus Participation**

State	Total MSEP Enrollment for all Institutions
Kansas	275
Michigan	272
Minnesota	422
Missouri	1,124
Nebraska	107
North Dakota	146
Total	2,346



## MHEC in Michigan



### Program Enrollment at Michigan Institutions by Students Home State of Residence, 2004-05 School Year

<i>Michigan Institutions</i>	<i>MN</i>	<i>MO</i>	<i>NE</i>	<i>Other*</i>	<i>Total Enrollment</i>
Ferris State University	10	6	2	251	269
Lake Superior State University	2	1	0	0	3
<b>Michigan Institution Totals</b>	<b>12</b>	<b>7</b>	<b>2</b>	<b>251</b>	<b>272</b>

\*A few institutions extend the MSEP benefits to all students enrolling from MHEC member states even though the student's home state has not endorsed the program. These are those student enrollments.

\*\*212 Michigan residents received a tuition reduction through the Midwest Student Exchange Program



**MHEC in Michigan**



## ROUNDTABLES AND FORUMS

- Annual Midwest State Higher Education Executive Officers (SHEEO) Workshop
- The Midwestern Higher Education to Workforce Policy Initiative: Seamless Development of Talent for the 21<sup>st</sup> Century
  - October 27-29, 2005



**MHEC in Michigan**



## POLICY RESOURCES

THE MIDWEST



Postsecondary Education  
Resource Library

The Midwest PERL <http://perl.mhec.org>

(Postsecondary Education Resource Library)

- Two user-friendly and complementary online databases
- State-level data searchable by state
- Policy resources database searchable by issue, sector & institutional type



# MHEC in Michigan



## Leading Demographic Indicators: Michigan Compared to other MHEC states and the National Average

State	Projected change in total population 2000-2025 <sup>1</sup>	Projected change in 18-24 age group, 2000-2025 <sup>1</sup>	Projected change in 25-44 age group, 2000-2025 <sup>1</sup>	Projected change in number of high school graduates 2002-2018 <sup>2</sup>	% of adult population with less than a high school diploma or equivalent (2004) <sup>3</sup>	% of adult population with a bachelor's degree or higher (2004) <sup>3</sup>	Net migration rate of 22-29 year-olds with a bachelor's degree or more, 1995-2000 <sup>4</sup>
<b>MI</b>	<b>1.4%</b>	<b>-4.2%</b>	<b>-11.8%</b>	<b>3.9%</b>	<b>13.1%</b>	<b>24.6%</b>	<b>-4.4%</b>
U.S.	19.1%	11.9%	0.6%	11.1%	16.1%	27.0%	N/A
IA	3.9%	-13.8%	-10.6%	-7.4%	10.5%	23.9%	-24.3%
IL	8.2%	3.3%	-5.1%	5.8%	14.8%	29.1%	11.1%
IN	7.6%	-5.6%	-7.8%	25.7%	15.6%	21.5%	-13.4%
KS	15.6%	2.2%	1.5%	1.1%	10.6%	28.3%	-4.1%
MN	12.0%	-0.5%	-6.0%	0.7%	9.3%	29.7%	9.2%
MO	11.7%	0.2%	-4.9%	-0.4%	13.7%	24.3%	-0.2%
ND	13.6%	-4.5%	-1.4%	-30.2%	12.1%	24.0%	-45.5%
NE	12.8%	-1.9%	-2.9%	-1.1%	10.6%	26.6%	-9.7%
OH	3.4%	-3.0%	-10.5%	0.5%	13.4%	23.3%	-4.0%
WI	9.4%	-4.3%	-8.0%	-4.2%	12.9%	24.1%	-10.5%

<sup>1</sup>Information in this table is from the National Center for Public Policy in Higher Education, *Measuring Up 2004*, with data from Thomas Mortenson and Postsecondary Education OPPORTUNITY, U.S. Census Bureau, ACT, and the National Center for Education Statistics

<sup>2</sup>"Chance for college" is defined as the relative probability that a student entering ninth grade will finish high school in four years and proceed directly to college.

<sup>3</sup>The average of the five states nationally with the highest scores in a given area.

<sup>4</sup>The sample size for this measure was too small to provide an accurate percentage figure.



# MHEC in Michigan



Leading Financial Indicators: Michigan Compared to other MHEC states and the National Average				
State	Tax revenue per capita (2002)*	Percent increase in tax revenue, 1992 to 2002 (adjusted for inflation)*	Effective Tax Rate, 2002*	Effective Tax Rate, 1992*
<b>MI</b>	<b>3051</b>	<b>11.2</b>	<b>8.8%</b>	<b>9.7%</b>
U.S.	3138	13.9	7.9%	9.2%
IA	2837	10.4	7.6%	9.5%
IL	3303	18.9	7.8%	8.6%
IN	2759	17.0	7.5%	8.6%
KS	2941	18.9	7.8%	8.7%
MN	3673	17.5	8.5%	10.1%
MO	2667	26.9	7.2%	7.6%
ND	2727	27.0	7.9%	8.3%
NE	3077	20.9	7.9%	8.8%
OH	3170	29.1	8.5%	8.7%
WI	3421	16.7	8.8%	10.4%

\*State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Tax revenue per capita includes revenue generated through taxation by both state and local governments. The Effective Tax Rate is equal to a state's actual tax revenue divided by its total taxable resources.



# MHEC in Michigan



Postsecondary Preparation: Michigan Compared to other MHEC states & “Top Performing” States in the Nation <sup>1</sup>					
State	18-24 year-olds with a high school credential (2002)	9 <sup>th</sup> to 12 <sup>th</sup> graders taking at least one upper-level math course (2001-02)	9 <sup>th</sup> to 12 <sup>th</sup> graders taking at least one upper-level science course (2001-02)	12 <sup>th</sup> graders taking at least one upper-level math course (2001-02)	7 <sup>th</sup> to 12 <sup>th</sup> graders taught by teachers with a major in their field (1999-2000)
MI	89%	40%	27%	36%	66%
Top performing states <sup>2</sup>	94%	59%	41%	66%	81%
IA	94%	50%	39%	n/a	80%
IL	87%	n/a	n/a	n/a	70%
IN	89%	46%	30%	29%	79%
KS	88%	n/a	n/a	n/a	70%
MN	93%	49%	30%	n/a	92%
MO	91%	55%	34%	n/a	66%
ND	97%	53%	35%	54%	73%
NE	90%	61%	38%	n/a	80%
OH	87%	47%	23%	54%	61%
WI	89%	58%	36%	56%	81%

<sup>1</sup>All data in the table are from the National Center for Public Policy and Higher Education, *Measuring Up* 2004.  
<sup>2</sup>The average of the five states nationally with the highest scores in a given area.



# MHEC in Michigan



## Postsecondary Participation, Persistence, and Completion: Michigan Compared to other MHEC states and "Top Performing" States in the Nation<sup>1</sup>

State	Chance for college by age 19 (2000) <sup>2</sup>	18-24 year-olds enrolled in college (2002)	25-49 year-olds enrolled part-time in any type of postsecondary education 2001	First to second year persistence of full- time students at two-year institutions (2000-01)	First to second year persistence of full- time students at four-year institutions (2000-01)	First-time, full-time students earning a bachelors within 6 years of enrollment (2001-02)	Certificates, degrees, and diplomas awarded at all institutions per 100 undergraduates (2001-02)
<b>MI</b>	<b>40%</b>	<b>38%</b>	<b>4.1%</b>	<b>47%</b>	<b>79%</b>	<b>54%</b>	<b>15</b>
Top performing states <sup>3</sup>	52%	40%	5.4%	63%	84%	64%	21
IA	52%	36%	3.0%	50%	79%	62%	21
IL	42%	33%	4.9%	53%	79%	58%	17
IN	41%	30%	3.2%	53%	77%	54%	17
KS	50%	37%	4.4%	51%	74%	50%	18
MN	53%	36%	3.7%	56%	80%	55%	19
MO	39%	32%	3.9%	52%	76%	53%	18
ND	58%	42%	2.3%	n/a <sup>4</sup>	72%	44%	19
NE	50%	38%	4.2%	52%	76%	50%	18
OH	39%	34%	3.2%	55%	75%	54%	17
WI	45%	31%	3.7%	49%	81%	57%	20

<sup>1</sup>Information in this table is from the National Center for Public Policy in Higher Education, *Measuring Up 2004*, with data from Thomas Mortenson and Postsecondary Education OPPORTUNITY, U.S. Census Bureau, ACT, and the National Center for Education Statistics

<sup>2</sup>"Chance for college" is defined as the relative probability that a student entering ninth grade will finish high school in four years and proceed directly to college.

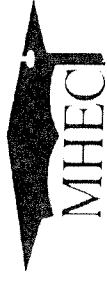
<sup>3</sup>The average of the five states nationally with the highest scores in a given area.

<sup>4</sup>The sample size for this measure was too small to provide an accurate percentage figure.





# MHEC in Michigan



Benefits of Higher Education: Michigan Compared to other MHEC States and the National Average			
State	Population 25-64 years old with a BA or higher (2000- 2002 average) <sup>1</sup>	Difference in personal income, bachelors degree vs. high school diploma (2004) <sup>2</sup>	Difference in unemployment rates, bachelors degree vs. high school diploma (2004) <sup>2</sup>
<b>MI</b>	<b>27%</b>	<b>96%</b>	<b>71%</b>
U.S.	26%*	93%	48%
IA	28%	61%	76%
IL	29%	89%	37%
IN	24%	89%	61%
KS	32%	71%	68%
MN	31%	84%	47%
MO	28%	73%	65%
ND	27%	70%	80%
NE	29%	75%	83%
OH	26%	89%	44%
WI	25%	70%	67%

<sup>1</sup>National Center for Public Policy in Higher Education, *Measuring Up 2004*. (Data from U.S. Census Bureau).

<sup>2</sup>Institute for Higher Education Policy, *The Investment Payoff* (Data from Current Population Survey, 2004 or 2000).

\*U.S. Census Bureau, Current Population Survey, 2002.



# MHEC in Michigan



## Affordability of Higher Education: Michigan Compared to Other MHEC States and the National Average

State	Percentage of average annual family income needed to pay for public 2-year college expenses minus financial aid, 2003-04 <sup>1</sup>	Percentage of average annual family income needed to pay for public 4-year college expenses minus financial aid, 2003-04 <sup>1</sup>	Percentage of average annual family income needed to pay for private 4-year college expenses minus financial aid, 2003-04 <sup>1</sup>	Family share of public higher education operating revenues (2004) <sup>2</sup>	Family share of public higher education operating revenues (1994) <sup>2</sup>	Percentage of average income needed for the poorest 20% of families to pay tuition at the states lowest-priced colleges, 2003-04 <sup>1</sup>	Average federal undergraduate student loan, 2003 <sup>1,3</sup>
<b>MI</b>	<b>22%</b>	<b>32%</b>	<b>45%</b>	<b>50%</b>	<b>44%</b>	<b>15%</b>	<b>\$2,963</b>
U.S.	22%	29%	68%	36%	31%	14%	\$3,344
IA	24%	28%	54%	47%	34%	19%	\$2,961
IL	21%	30%	62%	27%	21%	14%	\$3,615
IN	24%	29%	61%	49%	40%	18%	\$3,231
KS	19%	23%	46%	36%	30%	14%	\$3,204
MN	19%	23%	50%	42%	31%	20%	\$3,050
MO	20%	28%	50%	38%	39%	15%	\$3,240
ND	22%	25%	34%	40%	34%	22%	\$2,793
NE	18%	24%	48%	38%	27%	13%	\$3,096
OH	27%	36%	62%	49%	45%	22%	\$3,380
WI	18%	22%	54%	38%	28%	17%	\$3,076

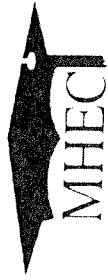
<sup>1</sup>National Center for Public Policy in Higher Education, *Measuring Up* 2004. Data from National Center for Higher Education Management Systems, National Center for Education Statistics, U.S. Office of Postsecondary Education, and the U.S. Census Bureau.

<sup>2</sup>State Higher Education Executive Officers, *State Higher Education Finance*, FY 2004.

<sup>3</sup>Figures include both student and parent loans, but do not include loans originating from state sources or private loans (including credit card debt). The figure is therefore not an accurate measure of total student borrowing, which would be higher than the figures listed.



# MHEC in Michigan



## Higher Education Funding: Michigan Compared to Other MHEC States and the National Average

State	Total State Grant Expenditures (Need and Merit Based) as a %age of Higher Education Operating Expenses (2003-04)	Percentage of Total Grant Aid Awarded Solely on the Basis of Need (2003-04)	State and Local Appropriations for Public Higher Education Operating Expenses per FTE <sup>1</sup>		State and Local Appropriations for Public Higher Education Operating Expenses per capita <sup>2</sup>		State and Local Appropriations for Higher Education as a Percentage of Tax Revenue and Lottery Proceeds (2003) <sup>2</sup>		State Need-Based Grant Aid Awarded by Sector, 2003-04 (in millions) <sup>3</sup>	
			2004	1994-2004 change	2004	1994-2004 change	2003	1993	Public In-State	Private Not-for-Profit In-State
<b>MI</b>	<b>8.5%</b>	<b>58.0%</b>	<b>5425</b>	<b>-7.5</b>	<b>244</b>	<b>-0.8</b>	<b>8.3</b>	<b>8.2</b>	<b>30.72</b>	<b>66.61</b>
U.S.	10.2%	73.8%	5721	-4.4	239	3.5	7.6	7.6	2358.8	1481.9
IA	6.7%	99.1%	4953	-30.1	265	-11.1	9.7	10.4	3.26	40.96
IL	13.8%	91.3%	6487	8.2	262	10.5	8.0	7.7	175.23	147.50
IN	18.1%	61.3%	4604	-11.6	220	3.8	7.7	8.3	85.87	62.16
KS	2.1%	100%	5586	2.3	307	-2.5	10.1	11.5	6.47	7.53
MN	9.4%	99.9%	5314	-13.0	254	-9.9	7.1	8.6	62.34	39.38
MO	4.9%	60.9%	7185	-13.0	183	6.4	7.1	7.4	9.74	15.37
ND	0.9%	76.7%	4464	-17.2	316	-2.2	11.8	14.3	1.08	0.268
NE	1.8%	100%	5256	-4.5	330	-2.9	11.0	12.3	n/a <sup>4</sup>	n/a <sup>4</sup>
OH	9.7%	72%	4277	-7.5	192	5.5	5.9	6.5	83.48	37.61
WI	6.8%	95.9%	5609	-17.7	266	-9.5	8.1	9.1	48.5	24.26

<sup>1</sup>State Higher Education Executive Officers, *State Higher Education Finance*, FY 2004. Data is adjusted for regional cost of living, the relative mix of enrollments by institutional type, and 2004 dollars

<sup>2</sup>State Higher Education Executive Officers, *State Higher Education Finance*, FY 2004. Adjusted to 2003 or 2004 dollars

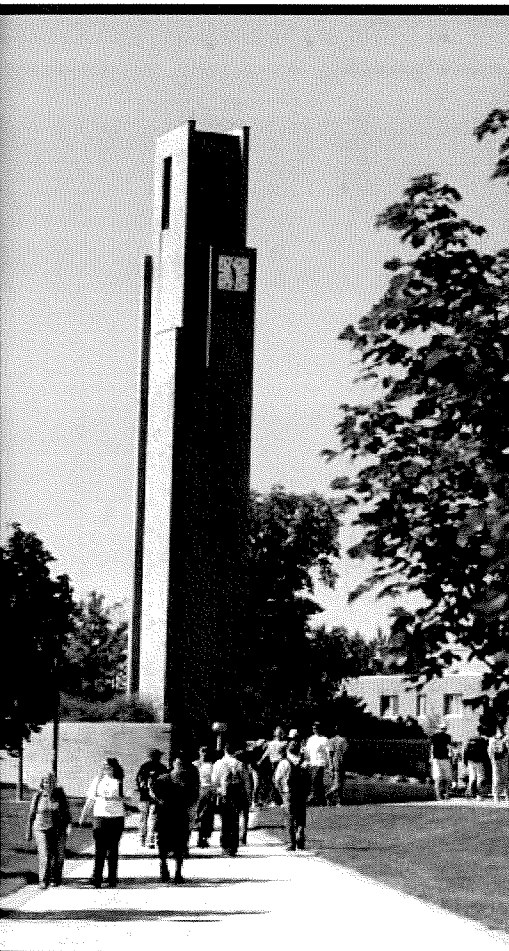
<sup>3</sup>National Association of State Student Grant and Aid Programs

<sup>4</sup>Data by sector not available. Total need-based student aid awarded in Nebraska in 2003-04 was \$8.74 million.



## Responding to Constituents' Needs in a Changing Climate

Midwestern Higher Education Compact



*Prepared December 2005*





# MHEC in Michigan 2004-05

*The Midwestern Higher Education Compact is a nonprofit regional organization established by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing.*

## COST SAVINGS PROGRAMS

	2004-05 Savings	Cumulative
<b>Hardware Program</b>	<b>\$2,099,381</b>	<b>\$3,897,938</b>
<i>Provides affordable access to computing hardware</i>		
<b>Novell/MHEC Higher Education Collaborative</b>	<b>\$324,177</b>	<b>\$711,872</b>
<i>Provides affordable access to computing software</i>		
<b>Master Property Program</b>	<b>\$486,026</b>	<b>\$5,073,064</b>
<i>Provides property insurance coverage tailored specifically to colleges and universities</i>		
<b>Office Products</b>	<b>\$11,283</b>	<b>\$11,283</b>
<i>Provides affordable access to office products</i>		
<b>American TelEdCommunications Alliance</b>	<b>\$2,379,500</b>	<b>\$36,906,408</b>
<i>Provides colleges, universities, school districts and nonprofit organizations with worldwide voice, data and video communications services</i>		
<b>Other Initiatives</b>	<b>N/A</b>	<b>\$2,457,168</b>
<i>Programs that have since sunset or become part of other initiatives.</i>		

## STUDENT ACCESS

<b>Student Migration</b>	<b>212</b>	<b>2,079</b>
<i>Michigan residents receiving a tuition reduction through the Midwest Student Exchange Program</i>		
<b>Midwest Student Exchange Program</b>	<b>\$1,294,700</b>	<b>\$7,308,500</b>
<i>Enables students to attend colleges and universities out-of-state at reduced tuition rates</i>		
<b>Total Savings</b>	<b>\$6,595,067</b>	<b>\$56,366,233</b>
<b>Member State Obligations</b>	<b>\$82,500</b>	<b>\$835,500</b>
<b>Net Savings</b>	<b>\$6,512,567</b>	<b>\$55,530,733</b>

## POLICY HIGHLIGHTS

✓ Adult population with a high school credential, 2004	87%
✓ Population 18-24 yrs old enrolled in college, 2002	38%
✓ First-time, full-time students completing a BA in 6 yrs, 2001-2002	54%
✓ Adult population with a BA or higher, 2004	25%
✓ Projected change in HS graduates, 2002-2018	4%
✓ Proportion of family income for 4-yr public college expenses, 2003-04	32%
✓ Appropriation per public higher education FTE, 2004	\$5,425
✓ State appropriation as % of total state revenue, 2003	8.3%
✓ State appropriation as % of total state revenue, 1993	8.2%
✓ Earnings premium for a BA over HS diploma, 2004	96%
✓ Net migration rate of educated young adults, 2000	-4%



## COMMISSIONERS

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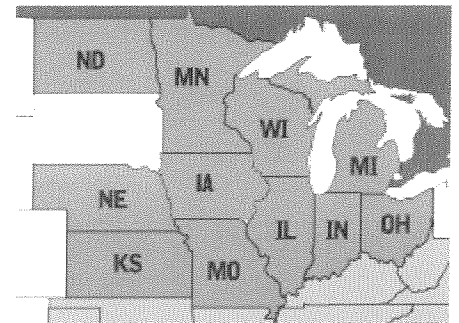
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Midwestern Higher Education Compact





# **Responding to Constituents' Needs in a Changing Climate**

**MICHIGAN**

*Prepared December 2005*





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## I. Introduction to MHEC

The Midwestern Higher Education Compact (MHEC) was established in 1991. The Compact's charge is to promote interstate cooperation and resource sharing in postsecondary education. MHEC's member states are: **Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.**

**The Compact is governed by the Commission.** The Commission consists of five appointees from each member state including the governor or the governor's designee, a member of each chamber of the state legislature, and two at-large members, one of whom must come from postsecondary education. **The Michigan Commissioners are: Lieutenant Governor John Cherry; President David Eisler, Ferris State University; State Senator Mike Goschka; President Conway Jeffress, Schoolcraft College; and State Representative Lorence Wenke. President Edward Blews, Association of Independent Colleges and Universities of Michigan, and Executive Director Michael Boulus; Presidents' Council State Universities of Michigan, serve as Commissioner-Alternates.**

The work of the Compact is financed largely through member-state obligations, cost savings initiatives and foundation grants. A small, full-time staff located in Minneapolis administers MHEC's daily operations, programming, and policy-research activities. The Compact's three core functions are:

- cost-savings;
- student access; and
- policy research.

The Compact follows six major goals in carrying out these functions:

- to enhance productivity through reductions in administrative costs;
- to encourage student access, completion and affordability;
- to facilitate public policy analysis and information exchange;
- to facilitate regional academic cooperation and services;
- to promote quality educational programs; and
- to encourage innovation in the delivery of educational services.

The Compact relies upon grassroots involvement to develop and implement its programs. More than two hundred representatives of Midwestern colleges, universities and leadership organizations serve on its program committees and oversee MHEC initiatives. The combined efforts of these committed volunteers, the Commission, and MHEC staff members have produced significant benefits for Midwestern higher education and the students it serves throughout the region. **To date, several hundred institutions and agencies have participated in MHEC programs and partnerships.**

**The advancement of education through interstate cooperation is a priority of the Midwestern Higher Education Compact.** Through the leadership of the commission and its president, the Compact continues to be a positive force in creating new opportunities for states, institutions and students. This report addresses the Compact's efforts in general, and addresses the initiatives impacting Michigan, specifically. The following is a presentation of MHEC's computing initiatives, property insurance program, telecommunications program, programs related to students and faculty, policy research and related activities, internet outreach activities, and other affiliated programs. *The bottom line is that the savings achieved through the cost savings program, plus the student tuition savings and policy research efforts are several times greater than the state's annual obligation of \$90,000. The independent institutions in Michigan as well as local governments are experiencing significant cost savings.* An explanation of the calculations used to determine the savings is included in the remainder of the report. The calculations are based on reasonable, if not conservative, assumptions.



## II. Cost-Savings Initiatives

MHEC's cost-savings initiatives include the following programs: Master Property Program, Information Technologies Programs and other initiatives. General descriptions of these programs are presented below in addition to specific information related to the cost-savings realized by the Michigan colleges and universities and other entities participating in these programs.

### A. Information Technologies

MHEC's Information Technologies programs enable institutions and individuals the opportunity to obtain the most competitive pricing on:

- desktops, laptops, and other hardware and software
- long distance, other telecommunications products and services and online course management systems
- office products

About \$4.8 million in *annual* technology savings have been achieved for Michigan entities.

About \$41.5 million in *cumulative* technology program savings have been reported for Michigan.

**Table 1: Michigan Technology Program Savings**

	<b>12-Month Savings</b>	<b>Cumulative Savings</b>
Computing Hardware	\$2,099,381	\$3,897,938
Computing Software	\$324,177	\$711,872
Office Products	\$11,283	\$11,283
Telecom & Tech (ATAAlliance)	\$2,379,500	\$36,906,408
<b>Michigan Technology Program Savings Totals</b>	<b>\$4,814,341</b>	<b>\$41,527,501</b>

#### **Hardware Program**

MHEC has contracts with Dell, Gateway, and MPC for the sale of computer desktops, laptops, servers, training, peripherals and other services. MHEC's contracts offer the Western States Contracting Alliance (WSCA) aggregate pricing discounts on all products, and aggressive pricing on specific computer bundles pre-configured with higher education uses in mind. The WSCA aggregate discounted price is always better than the educational discounted price. If an institution/state entity is making a large purchase of computers they can get a large order discount that is more aggressive than the WSCA aggregate pricing discounts that are listed. The current WSCA discounts are 10-12 % off of list price for the most frequently purchased products. The pre-configured bundles range from 14-19% discount off of list price. The list price is a constantly moving number.

The vendors provide a firm-fixed discount on products and services. The vendors sometimes run limited time specials which are offered to MHEC; the specials do not receive any additional discounting. MHEC receives the lower of the two prices.

**On an open ended contract for a purchase of 1 to 5 computers, the prices offered under the MHEC contract are as good as an institution/state entity will be able to get.** Without the MHEC contract, entities may be able to get something less than the list price, but it is unlikely they will get the MHEC pricing. They would also have to incur the costs of entering into their own contract with the vendor. **Using the MHEC contract minimizes the administrative costs of going out to bid and negotiating separate contracts, and provides institutions/state entities with a convenience of “one-stop” shopping.** Through the MHEC contract, all products and services are available to the institution/state entity. There is no need to place multiple purchase orders for various products.

**Because the list price is constantly moving, MHEC uses a 9% savings when calculating the savings an institution/state entity achieves when purchasing under the MHEC contract. Overall, most institutions/state entities are achieving savings somewhere in the 9-14% range.** Unfortunately, the vendors do not have the ability to cost effectively distinguish the discounts each institution is receiving when submitting their reports. **Since the Hardware Program’s inception in July 2001, Michigan colleges, universities, K-12 schools, state and local governments and other not-for-profit entities have saved a total of \$3,897,938 under this program.**

MHEC also has an agreement in place for the procurement of printers. Because colleges and universities spend such a large sum of money on printing, MHEC’s Hardware Committee conducted an extensive RFP process to identify high quality printers that offer state of the art printing and print management services at greatly reduced pricing. Xerox was selected because their printers offer substantial flexibility in finding networked printing solutions while at the same time saving money on the operational cost side of printing. In addition, Xerox offered significant discounts on the acquisition costs of the printers as well as printer supply items. Through the MHEC contract with Xerox, higher education, state and local governments, K-12 schools and not-for profit entities are able to reduce their overall printing costs.

**Table 2: Hardware Volume Purchased & Savings (in Dollars)  
(Breakdown by Sector in Michigan)  
July 2004 – June 2005**

<b>Sector Participation</b>	<b>Volume Purchased</b>	<b>Percent of Total Volume</b>	<b>Savings</b>	<b>Percent of Total Savings</b>
Public 4-year	\$4,109,702	18%	\$369,873	18%
Public 2-year	\$1,483,218	6%	\$133,490	6%
Private	\$502,464	2%	\$45,222	2%
State/Local	\$10,020,672	43%	\$901,860	43%
K-12	\$6,785,718	29%	\$610,715	29%
Other	\$424,684	2%	\$38,222	2%
<b>Total</b>	<b>\$23,326,458</b>	<b>100%</b>	<b>\$2,099,382</b>	<b>100%</b>

**Table 3: Public 4-Year Colleges and Universities Participating in the Hardware Program**

Central Michigan Univ Cheboygan County Msu Extension Eastern Michigan Univ Ferris State Univ Grand Valley State Univ Lake Superior State Univ Michigan Tech Univ Michigan State Univ	Msu-Extension Northern Michigan Univ Oakland Univ Saginaw Valley State Univ Univ Center @ Gaylord Univ Corp For Adv Internet Dv Univ Of Mi - Caen Srvc Cntr Univ Of Michigan	Univ Of Michigan Mstores Univ Physician Group Univ Women's Care Wayne State Univ Western Mi Univ Western Mi Univ/Micros&More
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**Table 4: Public 2-Year Colleges and Universities Participating in the Hardware Program**

Alpena Community College Grand Rapid Community College Gogebic Community College Henry Ford Community College Kalamazoo Valley Community College Kellogg Community College	Lake Michigan College Macomb Community College Mid Michigan Community College Mott Community College North Central Michigan College Northwestern Michigan College	Schoolcraft College Southwestern Michigan College St Clair County Comm College Washtenaw Community College Wayne County Community College West Shore Community College
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**Table 5: Private Colleges and Universities Participating in the Hardware Program**

Alma College Andrews Univ Bay Mills Community College College For Creative Studies	Cornerstone University Hope College Kalamazoo College Marygrove College	Olivet College Walsh College
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**Table 6: K-12 School Districts Participating in the Hardware Program**

Acad Of Cleveland Acad Of Waterford Academy Of Dayton Adrian Public Schools Algonac Community Schools Allendale Christian School Alma Public School Dist American Islamic Academy American Montessori Academy Anchor Bay School District Andrews Academy Apostolic Faith Church School Atherton Community Schools Augres-Sims School District Bahweting Anishnabe School Bark River Harris Schools Barry Intermediate School Dist Battle Creek Public Schools Bay City Public Schools Bay County Public School Acad Bear Lake School District Bedford Public Schools Beecher Community School Dist Belding Area School District Bellevue Community Schools Berkley School District	Berrien County Inter Sch Dist Beth Jacob Hs For Girls Big Bay De Noc School Big Jackson School Big Rapids Public Schools Birmingham Public Schools Bloomfield Hills Schools Bloomington Public Schools Boyne City Public Schools Bradford Academy Brandon School District Brandywine Public Schools Bridgeport-Spaulding Comm Sch Brighton Area Schools Brighton High School Bronson Community Schools Buchanan Community Schools Byron Area Schools Byron Center Public Schools Cadillac Area Public Schools Calhoun Intermediate School Calumet-Laurium-Keweenaw Dist Calvin Center School Capac Community Schools Capital City Baptist School Carman-Ainsworth Community Sch	Carson City-Crystal Area Schls Carsonville-Port Sanilac Sch Cassopolis Public Schools Cedar Springs Public Schools Central Michigan District Heal Cesar Chavez Academy Mid Sch Charlevoix Public Schools Charlevoix-Emmet Isd Charlotte Public Schools Chippewa Valley Schools Church Of The Holy Family Sch Clare-Gladwin Isd Clawson Public Schools Coldwater Comm School Dist Coleman Community Schools Coloma Community Schools Colon Community Schools Columbia School District Comstock Park Public Schools Concord Community School Constantine Public Schools Corunna Public Schools Covert Public Schools Crestwood School District Crossroads Charter Academy Croswell-Lexington Comm School
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<p> Davison Community Schools  Dearborn Heights Montessori  Dearborn Heights Sd  Dearborn Public Schools  Deckerville Comm Schools  Delta-Schoolcraft Isd  Dewitt Public Schools  Dowagiac Union Schools  Downriver Community Conference  Dundee Communitiy Schools  East Detroit Public Schools  East Grand Rapids School Dist  East Lansing Public Schools  Eastern Upper Peninsula Isd  Eaton Intermediate School Dist  Elk Rapids Schools  Escanaba Area Public Schools  Ewen-Trout Creek Consol Schs  Faith Lutheran Church School  Faithway Christian School  Farwell Area Schools  Father Marquette Middle School  Fenton Area Public Schools  Fitzgerald Public Schools  Flat Rock Community Schools  Flint Community School  Flushing Community Schools  Forest Area Community Schools  Forest Hills Public Schools  Forest Park Community Schools  Fowlerville Community Schools  Frankenmuth School District  Frankfort-Alberta Area Schools  Fruitport Community Schools  Fulton Schools  Gabriel Richard High School  Garden City Public Schools  Genesee Int School District  George Washington Carver Acade  Gerrish-Higgins School Dist  Gibraltar School Dist  Gladwin Community Schools  Godfrey-Lee Public Schools  Goodrich Area Schools  Grand Ledge Public Schools  Grand Rapids Junior Academy  Greenhills School  Greenville Public Schools  Grosse Ile Twmsp Schools  Grosse Pointe Public School  Hale Area Schools  Hamilton Community Schools  Hamtramck Pub Schl District  Hanover-Horton Schools  Harbor Beach Comm School Dist  Harbor Springs Public School  Harrison Community Schools  Hartford Public School  Hazel Park City School Distric  Highland Park School District  Hillsdale College  Holland Public Schools  Holly Academy  Holly Area Schools  Holt Public Schools  Holy Family Regional School  Hope Township  Howard Township  Howardsville Christian School  Howell Public Schools </p>	<p> Huron Intermediate School Dist  Immanuel Lutheran Preschool  Ingham County Isd  Inkster Public Schools  Ionia Public Schools  Ironwood Area Schools  Ishpeming School Dist  Jefferson Schools  Jewish Academy Of Metro Detroi  Jonesville Community Schools  Joseph K Lumsden Pub Sch Acad  Kalamazoo Christian School Asc  Kaleva Norman Dickson School  Kearsley Community Schools  Kenowa Hills Public Schools  Kensington Academy  Kent City Comm Schools  Kent Intermediate School Dist  Kingsley Area Schools  Kirtland Community College  Laingsburg Community Schools  Lake City Area Schools  Lake Orion Community Schools  Lakeview Public Schools  Lamphere Schools  Lansing School District  Lapeer Board Of Education  Lawton Community Schools  Leelanau School  Lenawee Intermediate Schools  Les Cheneaux Community Schools  Leslie Public Schools  Litchfield Community Schools  Littlefield School District  Living Word Lutheran School  Livingston Christian Schools  Livonia Public Schools  Lowell Area Schools  Ludington Area Schools  Madison Academy  Madison School District  Manistee Isd  Manistique Housing Commission  Maple Valley Schools  Marcellus Comm School District  Marlette Community Schools  Marquette-Alger Isd  Marshall Public Schools  Martin Public Schools  Mason County Eastern Schools  Mason Public Schools  Mason-Lake Intermediate Sd  Mattawan Consolidated School  Mecosta-Osceola County Area Tr  Memphis Community Schools  Menominee Area Public Schools  Merritt Academy  Michigan Center Public School  Michigan School Band &amp; Orchest  Mio Au Sable School  Mona Shores Public Schools  Monroe Public Schools  Montcalm Area Isd  Montrose Community Schools  Morenci Area School  Morrice Area Schools  Mount Clemens Community Sch  Mt Morris Cons Schools  Munising Public Schools  Muskegon Heights School Dist </p>	<p> Napoleon Community Schools  New Branches School  New Buffalo Area Schools  New Troy Elementary  Newaygo Co Inter School Dist  Niles Community Schools  North Branch Schools  North Central Area Schools  Northfield Township  Northport School  Northwoods Baptist Academy  Novi Community School  Oak Arbor New Church School  Oakland Christian School  Oakland Intl Academy  Oakland Schools  Okemos Public Schools  Olivet Comm School District  Onaway Area Comm School Dist  Ontonagon Area Schools  Orchard View Schools  Otsego County  Otsego Public Schools  Ottawa Area Isd  Ovid Elsie Area Schools  Owosso Public Schools  Palo Community Schls  Pansophia Academy  Paw Paw Public Schools  Pellston Public School  Pinconning Area Sch  Pittsford Area Schools  Portage Public Schools  Portland Before &amp; After Scho  Powers Catholic High School  Redford Union Schools  Reeths-Puffer Schools  Richmond Community Schools  River Rouge Board Of Ed  River Rouge School District  River Valley School Dist  Rockford Public Schools  Roeper City &amp; Country School  Rogers City Area Schools  Romeo Community Schools  Roseville Community Schools  Rudyard Area Schools  Sacred Heart Parish School  Saginaw Intermediate School  Saint Cecilia School  Saint Paul Lutheran School  Sanilac Intermediate Sch Dist  School Dist Of Hazel Park  Shaarey Zedek Hebrew School  Shrine Grade School  South Haven Public Schools  Southfield Christian School  Southfield Public Library  Southgate Comm School Dist  Sparta Area Schools  Spring Lake District Library  Spring Lake Public Schools  Ss Peter &amp; Paul School  St Helens School  St Hugo Of The Hills School  St John Lutheran Church School  St Johns Public Schools  St Martha School  St Mary Cathedral High School  St Mary Magdalen </p>
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St Matthew Church & School	Tuscola Intermediate School	Webberville Community Schools
St Peters Evangelical School	Uby Community Schools	West Bloomfield High School
St Regis School	Unionville Sebewaing Area Scho	West Bloomfield School Dist
St Thomas Aquinas	Universal Learning Academy	West Iron County Schools
Star Intl Academy	Utica Community Schools	Westwood Heights Schools
Starr Elementary Parents	Van Buren Public Schools	White Pigeon Comm Sch District
Stephenson Area Schools	Van Dyke School District	Whitehall District Schools
Stockbridge Community Schools	Village Adventist Elemtary Sch	Whitmore Lake Public Schools
Sturgis Public Schools	Wakefield School District	Winans Academy Perf Arts
Summerfield Schools	Walnut Creek Middle School	Wolverine Community Schools
Swartz Creek Schools	Warren Consolidated Schools	Woodside Elementary School
Tawas Area Schools	Washtenaw Intermediate Sd	Yale Public Schools
Traverse Area District Library	Waterford School District	
Trillium Academy	Watervliet Public Schools	
Trinity Lutheran Schools	Wayland High School	
Troy School District	Wayne Westland Community Sch	

**Table 7: State/Local Governments and Other Entities Participating in the Hardware Program**

22nd District Court	Bloomfield Township Pub Lib	City Of Adrian
33rd Judicial District Court	Board Of Ingham County	City Of Albion
Adrian Charter Township	Boyer District Library	City Of Algonac
Albion Public Library	Boyer Valley Township	City Of Allen Park
Albion Township Fire Dept	Branch County 911	City Of Ann Arbor
Alcona County Road Commission	Branch County Road Commission	City Of Auburn Hills
Allegan Co Comm Mental Hea Ser	Brandon Township Public Lib	City Of Augres
Allegan Co Medical Control Aut	Brandon Township Recreation	City Of Bay City
Allegan County Road Comm	Bridgeport Public Library	City Of Benton Harbor
Allen Township	Bridgewater Township	City Of Bessemer
Allendale Charter Township	Brighton Charter Township	City Of Big Rapids
Alpena County Library	Brownstown Police Dept	City Of Birmingham
Alvah N Belding Public Lib	Buchanan Township	City Of Boyne
Ann Arbor Transport--The Ride	Buena Vista Charter Twp	City Of Buchanan
Antrim Co Road Commission	Burt Township	City Of Cadillac
Antrim County Purchasing	Byron Township	City Of Carsonville
Antrim County Sheriff	Caledonia Charter Township	City Of Charlevoix
Ash Township	Caledonia Township	City Of Coldwater
Atlas Township Fire Dept	Calhoun County	City Of Coldwater Pbu
Attorney Grievance Commission	Calhoun County Development	City Of Davison
Baldwin Public Library	Capital Area District Library	City Of Dearborn
Baldwin Township	Capital Area Transportation	City Of Dearborn Heights
Baroda Township	Capital Region Airport Authori	City Of Detroit
Barry County	Caro Police Dept	City Of East Lansing
Barry County Central Dispatch	Cascade Charter Township	City Of Eaton Rapids
Barry County Emergency Mgt	Cass County	City Of Ecorse Police
Barry County Sheriffs Dept	Cedar Township	City Of Escanaba
Barry County Trial Court	Charlevoix Conservation Dist	City Of Fenton
Barry County Trial Court- Drug	Charlevoix County	City Of Ferndale
Barry Eaton District Hlth Dept	Charlevoix County Clerk	City Of Ferrysburg
Barry Township	Charlevoix County Clerk	City Of Flint Mi
Bay County Dept Of Water/Sewer	Charlevoix Soil & Water	City Of Frankenmuth
Bay County Library System	Charter Township Of Comstock	City Of Fraser
Bayliss Public Library	Charter Township Of Delta	City Of Gaastra
Belding Housing Commission	Charter Township Of Indep	City Of Garden City
Benton Charter Township	Charter Township Of Kalamazoo	City Of Gaylord
Benton Township Eaton County	Charter Township Of Meridian	City Of Gladstone
Benzie Conservation District	Charter Township Of Oakland	City Of Grand Haven
Benzie-Leelanau District Healt	Charter Township Of Plymouth	City Of Grant
Bergland Township	Charter Township Of Texas	City Of Grayling
Berlin Township	Charter Township Of Van Buren	City Of Grosse Pointe
Berrien County Courthouse Pur	Charter Twtnshp Of W Bloomfield Chesaning	City Of Grosse Pointe Farms
Berrien County Health Dept	Public Library	City Of Grosse Pointe Woods
Birch Run Township	Chesterfield Township	City Of Hamtramck
Blackman Charter Township	Chesterfield Township Pd	City Of Harper Woods
Bloomfield Township	Chippewa County Health Dept	City Of Hastings

City Of Highland Park	Comm Mental Health Of St Josep	Gratiot County Road Comm
City Of Hillsdale	Commerce Township	Grattan Township
City Of Holland	Concord Township	Green Township
City Of Howell	Copper Country Mental Health	Grosse Point Park
City Of Huntington Woods	County Of Berrien	Hackley Public Library
City Of Inkster	County Of Delta	Hamburg Twnship Utilities Dept
City Of Ionia	County Of Hillsdale	Hartland Area Fire Dept
City Of Iron River	County Of Mackinac	Hazel Park Police Dept
City Of Ironwood	County Of Manistee	Hematite Township
City Of Kalamazoo	County Of Mason	Hillman Fire Dept
City Of Kentwood	County Of Mason Zoning & Bldg	Hillsdale Board Of Public Utl
City Of Lake Angelus Pd	County Of Menominee	Hillsdale Community Health Cen
City Of Lansing	County Of Monroe	Hillsdale County Isd
City Of Lincoln Park	County Of Newaygo	Hillsdale Rural Fire Dept
City Of Lowell	County Of Oakland - Ea	Holland Board Of Public Works
City Of Madison Heights	County Of Roscommon	Homer Public Library
City Of Manistee	Courtland Township	Howe Memorial Library
City Of Marysville	Crockery Township	Howell District Library
City Of Melvindale	Dearborn Heights Police Dept	Howell Fire Dept
City Of Menominee	Dearborn Police Dept	Huron County Health Dept
City Of Midland	Deerfield Township	Huron County Pros. Attorney
City Of Monroe	Delhi Charter Township	Independence Twnshp Library
City Of Mount Clemens	Delta Menominee Health Dept	Ingham County
City Of Mt Pleasant	Dept Of Labor & Econ Growth	Ingham County Road Commission
City Of Muskegon	Detroit Health Dept-Std Interv	Ionia Co Central Dispatch
City Of New Baltimore	Detroit Metro Housing & Comm	Ionia Co Commission On Aging
City Of Norway	Detroit Public Library	Ionia Comm Mental Health
City Of Novi	Detroit Wayne Co Metro Airport	Ionia County Administration
City Of Oak Park	Detroit/Wayne Cnty Ems Council	Ionia County Cmh
City Of Olivet	Dewitt Charter Township	Ionia County Health Dept
City Of Owosso	Dexter Area Fire Dept	Ionia County Health System
City Of Parchment	Dickinson County Library	Ionia County Rd Commission
City Of Petoskey	Dickinson County Msu Ext	Iosco County
City Of Plainwell	Dowling Public Library	Iosco-Arenac District Library
City Of Pleasant Ridge	East Lansing Water & Sewer	Ira Township
City Of Port Huron	Egelston Township	Isabella County
City Of Richmond Police Dept	Elba Township	Jackson Co Road Commission
City Of River Rouge	Elmwood Township	Jackson County
City Of Roseville Housing Comm	Emerson Township	Jackson County I S D
City Of Royal Oak	Emmet County It Dept	Jackson County Sheriff's Depar
City Of Saginaw	Empire Township	Jackson District Library
City Of Saline	Eureka Township	Jordan Valley District Library
City Of South Haven	Farmington Community Library	Kalamazoo Cty Road Comm
City Of South Lyon	Fennville District Library	Kalkaska County
City Of South Lyon Police Dept	Ferndale Police Dept	Kalkaska Township
City Of Southfield	Flat River Community Library	Kent Co Circuit Court Admin
City Of St Clair Shores	Flecl Library	Kent County
City Of St Joseph	Flint Public Library	Kent County Elections Dept
City Of St Louis	Frankenlust Township	Kent County Facilities Mgmt
City Of Sterling Heights	Frederic Township	Kent County Health Dept
City Of Sturgis	Fredonia Township	Kent County Info Tech
City Of Swartz Creek Michigan	Free Soil Township	Kent County Parks Dept
City Of Three Rivers	Friendship Centers Of Emmet Co	Kent County Purchasing Divisio
City Of Traverse City	Fruitland Township	Kent County Sheriff's Dept
City Of Troy-Info Services	Garfield Memorial Library	Keweenaw County Housing Corp
City Of Utica	Genesee County Drain Commiss	Lake County Clerk
City Of Warren	Genesee County Health Dept	Lakeland Library Cooperative
City Of Watervliet	Genesee District Library	Lansing Board Of Water & Light
City Of Wayland	Genesee Township Fire Dept	Lansing Police Dept
City Of Westland	Gerrish Township	Lansing Township Fire Dept
City Of Westland Police Dept	Gladwin County	Lapeer County Ems
City Of Whitehall	Gladwin County Road Commission	Leelanau County Courthouse
City Of Wixom Police Dept	Grand Haven Charter Township	Lenawee County
City Of Wyandotte	Grand Rapids Public Library	Lenawee County Data Processing
Clare County Environ Affairs	Grand Rapids Township	Lenawee County Road Commission
Clayton Charter Township	Grand Traverse Co Rd Comm	Leoni Township
Clayton Township Police Dep	Grand Traverse County	Leroy Community Library
Clinton County Road Comission	Grand Valley Metro Council	Liberty Township
Coldwater Township	Grass Lake Charter Township	Lincoln Township
Colon Township	Gratiot County	Lincoln Township Public Libr

Litchfield Fire Dept	Oceana County Sheriff's Office	St Joseph Charter Township
Livingston Co Comm Ment Hlth A	Oceola Township	St Joseph County
Livingston County	Office Of Emergency Preparedne	St Joseph County Int
Livonia Pd Mi	Ogemaw Co Public Transit	Stair Public Library
Local Purchases Dell Michigan	Ogemaw County	Stanton Township
London Township	Ogemaw County Equalization	State Of Michigan,Dit
Long Lake Township	Ogemaw County Government	Stephenson Township
Loutit District Library	Ogemaw County Sheriff's Office	Sterling Heights Fire Dept
Lowell Area Chamber Of Commere	Ontwa Township Police Dept	Sterling Heights Police Dept
Mackinac County	Orangeville Township	Suburban Library Cooperative
Macomb Co Comm Mental Health	Orchard View Community Educati	Sumpter Township
Macomb County Community Service Agency	Osceola County Sherrifs Office	T A Cutler Memorial Library
Macomb County Public Works	Oscoda County Conservation Dis	Tallmadge Township
Manistee Co Sheriff's Office	Oscoda Township	Tecumseh District Library
Manistee-Benzie Comm Mhs	Oshemo Charter Township	Tecumseh Public School
Marlette Police Dept	Otsego Township	Tekonsha Community Schools
Marquette County Emerg Mgmt	Ottawa County	Tekonsha Village
Marshall District Library	Oxford Fire Dept	Thomas Township Fire Dept
Mason County Rural Fire Author	Park Township	Thomas Township Office
Mason County Sheriff Office	Paw Paw Township	Three Rivers Community Schools
Mason Township	Pinconning Township	Timberland Charter Academy
Mecosta County	Pokagon Township	Tittabaawassee Township
Mecosta County Road Comm	Portage Township	Torch Lake Township
Melrose Township	Presbyterian Villages Of Mi	Town Of Dryden
Menominee County 911	Presque Isle Prosecutor	Town Of Newaygo
Menominee Township	Public Hlth Delta-Menominee	Township Of Ada
Mi 28th District Court	Public Libraries Of Saginaw	Township Of Brownstown
Mi Court Of Appeals	Putnam Township	Township Of Charlevoix
Mi Dept Of Career Dev	Ransom District Library	Township Of Clay- Dda
Mi Dept Of Rehab Svcs	Rawson Memorial Library	Township Of Dafer
Mi Dept Of Social Services	Reading Community Library	Township Of Genesee
Mi District Health Dept 10	Renaissance Head Start	Township Of Green Oak
Mi Legislative Services	Reynolds Township Library	Township Of Gustin
Mi Ofc Of The Auditor General	Richland Township	Township Of Inverness
Mi Public Health Inst Mit	Road Commission Of Oakland Co	Township Of Kalamazoo
Mi Public Health Inst-Otis	Rochester Hills Public Library	Township Of Litchfield
Michigan Rehab. Service	Rosscommon County	Township Of Lowell
Michigan State Senate	Royal Oak Township Housing	Township Of Mastodon
Mideastern Michigan Library Co	Rubicon Township	Township Of Owosso
Midland County	Saginaw Charter Township	Township Of Pavillion
Milan Public Library	Saginaw Co Comm Mental Health	Township Of Sims
Milton Township	Saginaw County	Township Of South Branch
Missaukee Co Road Commission	Saginaw County Cac	Township Of Waucedah
Missaukee Dist Library	Saginaw Township	Township Of West Bloomfield
Mitchell Township	Sandusky Police Dept	Traverse Narcotics Team
Monroe Charter Township	Sanilac Co Comm Mental Health	Tri County Ambulance
Monroe County	Sanilac County Edc	Tri County Office On Aging
Monroe County Road Commission	Sanilac County Emergency Mgmt	Tri-Township Fire Dept
Monroe County Sheriff Dept	Sanilac County Health Dept	Trufant Community Fire Dept
Monroe Housing Commission	Saugatuck Douglas Police Dept	Tuscola County Equalization
Montcalm County	Sault Ste Marie	Tuscola County Road Commission
Montcalm County Probate Court	Schoolcraft County Housing Com	Tyrone Township Board
Montmorency County	Schoolcraft Township	Upper Peninsula Library Cooper
Morley Stanwood Community	Se Michigan Community Alliance	Venice Township
Multi-Lake Sewer Authority	Sherman Township	Vergennes Township
Muskegon County 911	Shiawassee County	Village Of Alanson
Muskegon-Oceana Co Com Act Par	Shiawassee County Health Dept	Village Of Almont
Napoleon Township	Solon Township	Village Of Caro
Nelson Township	South Branch Township	Village Of Clarksville
New Ctr Comm Mental Health	Southgate Fire Dept	Village Of Concord
New Haven Township	Southgate Police Dept	Village Of Fowlerville
Newaygo County Mental Health	Spencer Township	Village Of Hillman
Niles Housing Commission	Spring Arbor Township Pd	Village Of Holly
North Adams-Jerome Public	Spring Lake/Ferrysburg Police	Village Of Lake Isabella
Norvell Township	Springlake Township	Village Of Lawton
Oak Park Public Library	St Clair County Health	Village Of Lexington
Oakland Co Purchasing Office	St Clair County Info Tech	Village Of Mackinaw City
Oakland County Info Tech	St Clair Cty Com Mental Health	Village Of Mancelona
Oakland Township	St Clair Road Commission	Village Of Maple Rapids
Oceana County Road Comm	St Ignace Public Library	Village Of Mayville

Village Of Mendon Village Of Metamora Village Of Morrice Village Of Pickney Village Of Spring Lake Village Of Vanderbilt Village Of Bellevue Walkerville Rural Communities Walled Lake Police Dept Washtenaw County Washtenaw County Rd Commission	Watersmeet Township Wayne Co Dept Of Environment Wayne County Wayne County Airport Authority Wayne County Reg Ed Ser Agen Wayne County/Dept Of It Wayne Public Library Weldon Township West Bloomfield Fire St 2 West Bloomfield Parks & Rec West Traverse Township	Western Mi Comm Mental Health Wexford County Public Library Wexford County Road Commission White Cloud Community Library White Pigeon Township Library Wickson Public Library Wilber Township Wolverine Lake Village Woodhull Township Wyandotte School District
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**Table 8: Other Entities Participating in the Hardware Program**

Acset Adult Education Allergy & Asthma Ctr Of Mi Alpena General Hospital Analyst Intl/Sequoia Com Area Agency On Aging, Reg Iv Athens Clinic Ausable Valley Community Bay Arenac Behavioral Health Bay-Arenac Career Center Borgess Hospital Cancer & Hematology Centers Capital Area Michigan Works Caretech Solutions, Inc Carlson Medical Pc Cei Community Mental Health Center For Family Health Center For Humanistic Studies Center For Remote Sensing Children's Aid Society Childrens Clinic Of Michigan Clinton Area Ambulance Service Commision For The Blind Detroit Retirement Systems Educational Technology Edward C Robles, Md Emanuel Lutheran First United Methodist Church Food Safety & Toxicology Foote Hospital Foundation For Behavioral Res Foundation Ministries Inc Free Soil Community Isd Gift Of Life Michigan Gogebic Medical Care Facility Grand Haven Board Of Light & Grand Rapids Associated Intern Grandview Hospital Greater Lapeer Transit Authori	Hamtramck Public Library Harbor Oaks Hospital Harbor Tlp Health Source Saginaw Hematology Oncology Consultant Hiawatha Behavioral Health Hillsdale Co Central Dispatch Hospital Network Inc Huron Medical Services Org Innovative Medical Systems, In Interlochen Center Of The Arts Internal Medicine Ass Of Berry Internal Medicine Of West Mi Interurban Transit Partnership Intl Org Od Judson Center Lenawee Comm Mental Health Aut Leona Group L L C Library Network Ludington Area M A C C Council Of Gov Marion Township Mark Snider Md Mass Transportation Authority McLaren Regional Medical Ctr Mde Mecosta-Osceola Isd Mediation Tribunal Assoc Mesick Consolidated Metro Medical Equipment Mi Commission For The Blind Mi Family Independence Agency Mi Rehab Services Mi Rehab Svcs Mi Rehabilitation Services Michigan Beef Industry Comm Michigan Comm Coll Assoc Michigan Community Blood Ctrs Michigan Conference Of Sda	Michigan Petroleum Assoc Michigan Rehabilitation Svcs Mid-Michigan Dental Mid-South Substance Abuse Comm Montcalm Center For Behavioral Nemcsa New St Paul Taber Head Start Northwest Michigan Cummunity Nw Mi Council Of Gov Oakland County Information Tec Odd Fellow & Rebekah Home Pennock Hospital Perpectives Of Troy Pc Plymoth Christian Procure Systems Prodigy Care & Enrichment Ctr Riverwood Center Scao/Judicial Info Sys Seasons Change Semcog Shiawassee Regional Education Smcaa Southeastern Mi Health Assoc Springport Sscent Narcotics Team Superior Consutlant Thunderbay Transportation Transplantation Society Treasury Michigan Upper Penin Rlc W Michigan Shared Hosp Laundry Wayne State Housing Authority We Teach Western Washtenaw Recycling Au Western Wayne Cty Hazmat Team Wexford-Missaukee Isd Wm Beaumont Hospital Ypsilanti Community Utilities Zeeland Bpw
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## Software Program

- Novell/MHEC Collaborative

All higher education institutions purchasing Novell software must do so through an Academic License Agreement (ALA). Paying Novell an annual license fee is based on either their FTE (Full-Time Enrollment) count if purchasing the software for the whole campus or it is based on their workstation count if purchasing the software for a department only. On their own, institutions will get the maximum discount Novell offers on the annual license fee only if they have an FTE count of 100,000 (46% discount) or a workstation count of 14,000 (22% discount). There are no other educational discounts for Novell software.

**Under the MHEC program, all institutions in the Compact, regardless of their FTE count or workstation count, get the maximum discount Novell offers. Even the largest institutions in MHEC member states are not able to reach the maximum discount levels, and therefore are able to save 4-6% on their annual license fees over what they were previously paying.**

**For Fiscal Year 2004-2005, Michigan's higher education institutions saved \$332,477 on annual license fees and support costs. Since the beginning of the program in 2002, Michigan institutions have realized \$731,222 in cumulative savings (Table 9).**

**Table 9: Savings from Michigan's Participation in the Novell/MHEC Higher Education Collaborative**

Michigan Novell/MHEC Collaborative Participants	Savings on Annual License Fees 2004 2005	Cumulative Savings on Annual License Fees	Estimated Support Incident Savings 2004-2005	Cumulative Estimated Support Incident Savings	Cumulative Savings on Licenses & Estimated Support Savings
<b>Total</b>	\$324,177	\$711,872	\$8,300	\$19,350	\$731,222

MHEC determines the savings for institutions by calculating the difference between what institutions would have paid for annual license fees if the MHEC program did not exist and what they currently pay under the MHEC program. Institution must pay 15% of the savings achieved under the program to MHEC to help cover the costs of the program. MHEC subtracts that 15% of the savings from the gross savings to report net savings.

**Table 10** shows Michigan institutional member license savings achieved under the Novell/MHEC Higher Education Collaborative during the past fiscal year (July 1, 2004 - June 30, 2005).

**Table 10: Michigan Novell/MHEC Higher Education  
Collaborative Member Savings for License Fees 2004-2005**

<b>MI Institutions</b>	<b>Net License Fee Savings</b>
Albion College	6,211
Calvin College	26,319
College for Creative Studies	4,639
Davenport University	8,823
Eastern Michigan University	60,383
Ferris State University	16,176
Grand Rapids Community College	32,697
Grand Valley State University	32,264
Jackson Community College	*
Kalamazoo Valley Community College	7,452
Lake MI College	8,100
MI State U, Kalamazoo Ctr/Med Studies	3,838
MI State U, Housing & Food Svcs	4,740
Mid Michigan Community College	5,637
Monroe County Community College	7,101
Muskegon Community College	8,289
Northwestern Michigan College	10,702
Saginaw Valley State University	28,294
Southwestern Michigan College	7,248
Thomas M. Cooley Law School	8,900
Washtenaw Community College	24,357
Western Michigan University	12,008
<b>MI TOTAL</b>	<b>\$324,177</b>

\*License fee paid in another fiscal year.

MHEC also offers member institutions reduced pricing on Novell technical support. Traditionally, an institution had to pre-purchase a package of 5-20 telephone support incidents at a price of \$450 per incident. The institution also had to use all of the telephone support incidents it purchased during the year, or the telephone incidents would expire. **Under the MHEC program, the institution saves \$100 per incident by having to pay only \$350 per incident (after the first incident which is free).** In addition, the institution needs to purchase only one incident at a time, when it is needed, so there is no concern that incidents will expire. **Novell does not offer this technical support option to any other institution or entity. Novell makes this available only through MHEC. Michigan institutions saved an estimated \$19,350 for Novell support incidents since the beginning of the program in 2002.**

A third area of savings for institutions is in the area of training and professional development. Through training and professional development, institutions are able to leverage their existing investments in the Novell software into greater and enhanced uses. **MHEC has negotiated with**

**Novell free and reduced training and professional development classes for the benefit of institutions. Traditionally, this is something Novell has not done for any other customer, including Michigan institutions.** MHEC is able to do this by leveraging the large number of institutions across member states that need this training. Institutions calculate the difference between what they would have paid for the training class, and what they are paying as a result of the MHEC program. Training classes typically run from \$1,000 to \$3,000 per class, which is sometimes half the cost of the usual class offerings.

In addition, during the 2004-2005 academic year **MHEC and its partners -- Novell, the Minnesota State Colleges and Universities and Minnesota Satellite and Technology – provided a series of 9 satellite training broadcasts at no cost to Collaborative members.** The cost to participate in the broadcast series is \$400 for non-members.

- ***Oracle***

A major obstacle for the MHEC Oracle Committee has been navigating the different personnel and management levels required for a region-wide contract like the one MHEC is proposing. The structure of the agreement is now in place and the Committee is working with Oracle to finalize the details. It is hoped the contract can be completed by the end of the year and that institutions can start taking advantage of it by as early as January 2006.

- ***Anti-Virus Software***

The Anti-Virus Software Committee has met several times over the summer and has identified the standards and criteria they would like to see in an anti-virus program. The Committee is preparing an RFP document with those standards and criteria incorporated into the document. The goal of the Committee is to have the RFP ready for distribution by the middle of December.

### **MHEC-ATAlliance Telecommunications Program**

MHEC is a founding member of the American TelEdCommunications Alliance (ATAlliance), **a program that offers discount pricing for long distance, local and cellular telephone service, Internet access, video services, course management systems and other services.**

The MHEC-ATAlliance program along with MHEC's two earlier telecommunications programs have led to considerable savings for member states and their institutions. **Over the course of the program, the MHEC-ATAlliance Program has saved Michigan education, government and nonprofit organizations approximately \$36,906,408. For 2004-2005 the MHEC-ATAlliance estimates savings of approximately \$2,379,500 for Michigan participants.**

The ATAlliance founders – MHEC and the three other regional higher education compacts and MiCTA, a national nonprofit association for telecommunications – share resources in order to provide low-cost access to top-quality educational technology programs and to give education an organized way to exert leadership in building technology policies and standards. (See [www.ATAlliance.org](http://www.ATAlliance.org)).

The ATAlliance now has over 19,500 members from across the nation representing government and public sector organizations, health care, education, and libraries as well as religious and

charitable organizations. Michigan membership in the MHEC/ATAAlliance Program includes the State of Michigan as well as public and independent colleges and universities. In total, the membership from Michigan includes: the State of Michigan and 84 other governmental entities; 406 health care entities; 86 higher education members (*Table 11*); 609 libraries; 1,533 primary/secondary (private and public) schools; 739 public sector entities; and 1,013 religious and charitable entities.

**Table 11: Current Michigan Higher Education Members in the MHEC-ATAAlliance Program**

Adrian College	Grand Rapids Community College	Mott Community College
Albion College	Grand Valley State University	Muskegon Community College
Alma College	Great Lakes Christian College	North Central Michigan College
Alpena Community College	Henry Ford Community College	Northern Michigan University
Andrews University	Hillsdale College	Northwestern Michigan College
Aquinas College	Hope College	Northwood University
Ashland Theological Seminary- Detroit	Jackson Community College	Oakland Community College
Association of Independent Colleges & Universities of Michigan	Kalamazoo College	Oakland University
Ave Maria College	Kalamazoo Valley Community College	Olivet College
Ave Maria School of Law	Kellogg Community College	Rochester College
Baker College	Kettering University	Saginaw Valley State University
Bay De Noc Community College	Kirtland Community College	Schoolcraft College
Bay Mills Community College	Lake Michigan College	Siena Heights University
Calvin College & Seminary	Lake Superior State University	Southwestern Michigan College
Center for Creative Studies College of Art & Design	Lansing Community College	Spring Arbor University
Central Michigan University	Lawrence Technological University	St. Clair County Community College
Cleary University	Lewis College of Business	Thomas M. Cooley Law School
College of Life Long Learning, WSU	Macomb Community College	University of Detroit Mercy
Concordia University	Madonna University	University of Detroit Mercy - McNichols Campus
Cornerstone University	Marygrove College	University of Michigan
Cranbrook Educational Community	Michigan Community College Association	University of Michigan - Dearborn
Davenport University	Michigan State University	Van Andel Institute
Davenport University - Eastern Region	Michigan State University - Detroit College of Law	Walsh College
Delta College	Michigan Technological University	Washtenaw Community College
Eastern Michigan University	Michigan Virtual Automotive College	Wayne County Community College District
Ferris State University	Michigan Virtual University	Wayne State University
Glen Oaks Community College	Mid Michigan Community College	West Shore Community College
Gogebic Community College	Monroe County Community College	Western Michigan University
	Montcalm Community College	Western Michigan University, Video Services

The telecom savings from the MHEC-ATAAlliance programs are determined by the program administrator, the MiCTA Service Corporation (MSC). The steps used to determine the cost savings are to:

1. Identify the program volume used by members
2. Break down where the volume comes from (i.e. long distance, computers, video, eLearning, etc.)
3. Review contract terms and conditions for these programs to identify the incorporated savings
4. Identify tariff/street prices for contracts that are fixed cost
5. Apply appropriate percent savings to come up with cost outside the agreement and
6. Subtract, which results in the savings.

**The Telecommunications and Internet Services Program agreements were refreshed in 2005.** Following an RFP process, the evaluation committee met in March to review responses. Representatives from the MHEC region -- from the North Dakota University System, MOREnet (MO), Hamline University (MN), and Saginaw Valley State University (MI) – were joined by experts from Arizona, Georgia, Hawaii, Kentucky, Louisiana, Massachusetts, Nevada, and Washington. Upon the Committee’s recommendations, new agreements are now in place for long distance and local service, conferencing, fax, GPS, IP, paging, cellular and wireless LAN/WAN services.

Most, if not all, states already have telecommunications contracts for primary services that are available to state agencies, colleges and schools, and the MHEC-ATAlliance programs are not intended to compete with or supplant successful state programs. Rather, the MHEC-ATAlliance programs can be complementary to state services, help fill gaps in services or offer other products. For example, in the area of interactive video, the state may have an agreement needed by a university for a codec (coder-decoder) but not for a particular MCU (multi-point control unit) that is needed.

**Some services that can be purchased from the ATAlliance contracts may not be available through state contracts. ATAlliance prices may be better than state contracts or may incorporate “value-added” components such as fixed costs for maintenance, upgrades, or contract specifications tailored to educational functions. In some cases, state telecommunications agencies may select a vendor under an ATAlliance contract as its best source.**

State agencies and public colleges and universities sometimes need the Request-for-Proposals (RFP) process validated or certified to ensure that an open-bid process is used. As an instrumentality of state government created by identical statutes in its member states, MHEC certifies the RFP process used in order for these public entities to take part in the programs.

In addition to certifying the process and ensuring that state purchasing guidelines are followed, the higher education compacts add the value of their volunteer member expertise. MHEC acts as a facilitator and convener for the region, using the expertise from its committee members and its network of contacts to identify technology needs and priorities, clarify issues, and determine the best course of action, if any. The volunteer experts from MHEC states become advocates for the needs of higher education in our region with respect to a particular product or service.

### **Office Products Program**

MHEC and its ATAlliance partners also jointly sponsor an office products initiative that has the potential to greatly reduce the office supply costs of colleges, universities, state and local governments, and K-12 school districts. **For the first two quarters of the program’s operation, Office Depot reported sales volume totaling \$1.9 million, which translates into \$211,778 in savings to MHEC states. Sales volume for Michigan entities totaled \$101,548, which reflects \$11,283 in savings (Table 12).**

**Table 12: Michigan Savings for the first two quarters of the MHEC-Office Depot Program**

Higher Education		\$3,697
Alma College	\$577	
Cleary University	\$400	
Grand Rapids Community College	\$2,094	
St. Clair County Community College	\$626	
Public Libraries		\$1,288
Nonprofit Entities		<u>\$6,298</u>
<b>Total</b>		<b>\$11,283</b>

Generally, office supply products represent less than 2 percent of an institution's purchases, but consume up to 30 percent of the institution's purchasing resources. In addition to offering significant discounts on office supply products and services, MHEC's program offers solutions to help intuitions streamline their internal process and redirect people and capital resources to areas where they can produce greater returns.

## **B. Master Property Program**

The Master Property Program (MPP) has brought benefits to institutions of higher education since 1994. The program was established to broaden property coverage, reduce program costs and encourage improved asset protection strategies for colleges and universities in the Midwestern Higher Education Compact's (MHEC) eleven member states. Currently, higher education institutions in Illinois, Kansas, Michigan, Minnesota, Missouri and Nebraska participate in the program. In addition, collaboration with the Western Interstate Commission for Higher Education (WICHE) in June 2004 opened up the Program to institutions in the West. With this, the Nevada System of Higher Education (formerly the University and Community College System of Nevada) joined the Master Property Program on July 1, 2004. There are 46 institutions, with a total of 71 campuses and Total Insurable Values (TIV) in excess of \$47 billion participating in the program.

On July 1, the member institutions successfully renewed with Lexington Insurance Company who committed to a minimum 2.2 % premium increase, despite suffering two extensive losses to the program since 2003. However, due to the structure of the program, the member institutions realized an approximate 10% rate reduction overall through the other cost components of the program. In the wake of the tragedies of hurricanes Katrina, Rita and Wilma, the insurance industry is experiencing events that it has never seen before with so many different sectors experiencing losses. The reinsurance market was hit extremely hard by the hurricanes. Costly reinsurance treaty renewal costs are expected to be passed along by insurers to their insureds.

- **Estimated 2005 Savings and Benefits**

Each year, MHEC evaluates the success of the Master Property Program by looking at the program's overall costs, terms, conditions and services as compared to a participating institution buying their coverage on an individual basis or part of a smaller group. The MHEC institutions participating in the program in 2004-05 saved approximately \$3.06 million. The MHEC MPP Oversight Committee returned a \$1.7 million dividend for the 2001 and 2002 policy periods for eligible member institutions participating in the program at that time based on loss experience as of June 30, 2004. In October, another dividend was declared. Eligible institutions will receive their share of \$2.57 million, which is the remaining dividends for policy years 2001 and 2002 plus 80% of the available dividend for policy year 2003, based on losses valued June 30, 2005.

- **Overall Premiums**

MHEC's program administrator, Marsh, works with approximately 1,500 institutions of higher education nationally with approximately 150 of those located throughout the Midwest. Based on this experience, it is estimated by Marsh that most MHEC institutions would experience a 10% to 25% rate increase outside of the MHEC program. Therefore, based on exposures (including catastrophic), deductible and loss history, Marsh applies a rate increase against the overall account rate of the current program to estimate potential premium savings. Please note that many smaller higher education institutions are being subject to much higher rates – in the range of 0.12 to 0.15 – the MHEC average account rate is 0.0314 currently (for all members).

- **Michigan Institutions Participating**

The following is the estimated premium savings for the current policy year beginning July 1, 2005 by participating institution. The Michigan University Self-Insurance Corporation (M.U.S.I.C.) has been a member of the program since October 1, 2000.

**Table 13: Michigan Total Insured Values and Savings  
by Participating Institution – Policy Yr 2004-05\***

<b>Institution</b>	<b>Total Insured Values</b>	<b>Savings</b>	<b>Dividend</b>	<b>Savings + Dividend</b>
Central Michigan University	\$1,009,333,531	Received another renewal quote at a flat rate.	\$55,304	\$55,304
Eastern Michigan University	834,232,461		9,185	9,185
Ferris State University	599,576,106		51,654	51,654
Grand Valley State University	707,035,373		55,619	55,619
Lake Superior State University	183,443,719		16,929	16,929
Michigan Technological University	584,493,720		49,037	49,037
Northern Michigan University	493,123,132		31,711	31,711
Oakland University	564,573,570		49,925	49,925
Saginaw Valley State University	384,195,581		29,438	29,438
Wayne State University	1,820,875,674		18,731	18,731
Western Michigan University	1,480,026,160		118,493	118,493
<b>Michigan Savings</b>	<b>\$8,660,909,027</b>	<b>\$0</b>	<b>\$486,026</b>	<b>\$486,026</b>

\*Based on premium and loss information as of June 30, 2005.



### III. Student Access

#### A. Student Access Advisory Committee

Since the earliest days in the Midwestern Higher Education Compact's (MHEC) history, the Compact has supported programs and initiatives focused on its mission of encouraging student access, completion and affordability through regional cooperation. At its first Commission meetings, MHEC aligned its program directions to assist in fulfilling this mission. **The Midwest Student Exchange Program (MSEP) was created primarily to offer tuition savings to citizens and improve access for the region's citizen.**

**Access to diverse and affordable postsecondary education and training is critical to the development of Midwestern states and the region as evidenced in a recent survey.** In the fall of 2003, MHEC surveyed Midwestern higher education policymakers and leaders on their perceptions around issues facing their state. **89 percent of respondents rated access to postsecondary education as critical issue in their state, and 80 percent responded that increasing access to postsecondary education is critical to the region's welfare<sup>1</sup>.**

Much of the focus around student access at MHEC has been directed towards the MSEP. MHEC has approached various student access ideas from time to time, but not consistently as part of its mission to "Advance Education Through Cooperation". The last time the Commission was called upon to approve a new initiative on student access was the winter of 2002.

In the past a few scattered initiatives have been brought forth to the Commission that can be characterized as student access focused. One of the earliest efforts on the part of MHEC was its work in minority faculty development. In the late 1990's MHEC completed a study on Minority Faculty Development and from this study the Graduate Exchange of Midwest Minority Scholars (GEMMS) program was created. This program did not receive the full attention and support required, primarily in light of the MHEC presidential transition, poor program marketing and state budget crises. MHEC also attempted in the past five years to partner with the Distributed Learning Workshop (DLW) to seek out large-scale funding for two federal grants, one in providing online learning to the US Army and one for providing increased access to Advanced Placement tests through online learning.

Lastly, in the fall of 2004 MHEC made it past the first round in a grant competition to the Fund for the Improvement of Postsecondary Education (FIPSE). The proposed grant was to create the Postsecondary Information and Choice Midwest (PIC Midwest) resource for students in the region. MHEC was invited to the second round of proposals. However, just at that time, Congress significantly reduced the FIPSE appropriation and was unable to fund PIC Midwest at that time.

At the November 2004 meeting, MHEC staff presented the Commission with *Rethinking Student Exchange and Migration: Opportunities and Challenges for the Midwest*. Based on the

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<sup>1</sup>See MHEC's *Where Do We Go From Here? Examining Midwestern Policymakers' and Postsecondary Education Leaders' Perceptions, Priorities and Needs*, August 2004

discussion that followed the presentation, President Isaak “affirmed that MHEC staff would review the discussion on MSEP and present options for future participation”<sup>2</sup>. **At its June 2005 Executive Committee meeting, MHEC staff presented the Executive Committee with a vision for the student access function, along with an action item to create the Student Access Advisory Committee (SAAC). The Commission unanimously approved the creation of SAAC to enhance its mission of encouraging student access, completion and affordability.**

This new committee is charged with exploring opportunities for student access. Membership is comprised of a variety of individuals across the MHEC region, such as college and state higher education administrators, legislators, MHEC Commissioners and representatives from national organizations.

## **B. Midwest Student Exchange Program**

**The Midwest Student Exchange Program (MSEP) offers reduced tuition rates to students in the states of Kansas, Michigan, Minnesota, Missouri, Nebraska and North Dakota<sup>3</sup>.** Since 1994, MHEC has been providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. The MSEP serves as the Midwest’s largest multi-state tuition reciprocity program. **Over 125 campuses** from the participating states have opened their doors to students at reduced rates. **Public institutions enrolling students under the MSEP agree to charge no more than 150% of the in-state resident tuition rate, while private institutions offer a 10% reduction on their tuition rates.**

**In early September 2005, the University of Wisconsin Board of Regents approved participation of the UW System in the MSEP. Beginning fall 2006, Wisconsin will become a participating MSEP state,** allowing its residents the opportunity to enroll in designated institutions and programs at reduced tuition levels. In exchange, residents from the other participating MSEP states could pay reduced rates at participating schools in the University of Wisconsin System. The program will provide the System with an additional tool to attract out-of-state students to Wisconsin, fill programs with excess capacity, and increase campus diversity. UW campuses are now considering their level of participation in the MSEP.

**After months of planning, MHEC released the MSEP Access Navigator in October 2005. The MSEP Access Navigator provides students with an interactive, searchable database of all participating institutions in the MSEP. Students can access information on degree programs available, the campus’ enrollment requirements, and contact information for the campus administrator.** The MSEP Access Navigator is available online at <http://msep.mhec.org> and replaces the MSEP Bulletin in its printed format. In the past, MHEC updated the Bulletin on an annual basis. With the release of the MSEP Access Navigator, campus and program information can be updated instantly. **To market the MSEP Access Navigator, over 25,000 MSEP brochures are being distributed to high schools in the participating states this fall.**

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<sup>2</sup> See MHEC Commission Business Meeting minutes of November 18, 2004

<sup>3</sup> Participating states for the 2004-05 school year

In the 2004-05 school year, 54 of the 128 MSEP (42%) participating institutions reported students enrolled under MSEP; a decrease of 3 percent from the previous academic year. Of those 54 institutions, 63 percent (34) reported enrollments of more than five students. Although 128 campuses from the participating states are MSEP institutions, MHEC estimates that approximately 260 additional institutions in those states are not participating that could be eligible.

**Table 14: 2004-05 School Year Campus Participation**

State	Number of MSEP Institutions	Number & Percent of MSEP Institutions Enrolling Students Under MSEP	Number & Percent of MSEP Institutions Enrolling More Than Five Students Under MSEP (% Institutions Enrolling Students)	Total MSEP Enrollment for all Institutions
Kansas	6	5 (83%)	4 (80%)	275
Michigan	6	2 (33%)	1 (50%)	272
Minnesota	54	16 (30%)	6 (38%)	422
Missouri	40	18 (45%)	13 (72%)	1,124
Nebraska	11	4 (36%)	4 (100%)	107
North Dakota	11	9 (82%)	6 (67%)	146
<b>Total</b>	<b>128</b>	<b>54 (42%)</b>	<b>34 (63%)</b>	<b>2,346</b>

During the 2004-05 school year, the MHEC states Illinois, Indiana, Ohio and Wisconsin were eligible to participate in the MSEP but elected not to participate. Iowa was not a member of the Compact during the 2004-05 school year and therefore not eligible to participate in the MSEP.

**Table 15: Program Enrollment at Michigan Institutions by Students Home State of Residence, 2004-05 School Year**

Michigan Institutions	MN	MO	NE	Other <sup>4</sup>	Total Enrollment
Ferris State University	10	6	2	251	269
Lake Superior State University	2	1	0	0	3
<b>Michigan Institution Totals</b>	<b>12</b>	<b>7</b>	<b>2</b>	<b>251</b>	<b>272</b>

**Table 16** highlights the enrollment of Michigan residents in participating MSEP states.

<sup>4</sup> A few institutions extend the MSEP benefits to all students enrolling from MHEC member states even though the student's home state has not endorsed the program. These are those student enrollments.

**Table 16: Program Enrollment for Students with a Michigan Home State of Residence, 2004-05 School Year**

<b>Kansas Institutions</b>	<b>Michigan Residents</b>
Fort Hays State University	1
Kansas State University	2
<b>Kansas Totals</b>	<b>3</b>
<b>Minnesota Institutions</b>	<b>Michigan Residents</b>
Alexandria Technical College	1
Anoka-Ramsey Community College	1
Bemidji State University	3
Itasca Community College	1
Minneapolis Community & Technical College	2
Minnesota State Community & Technical College – Fergus Falls	2
Minnesota State University - Mankato	2
Normandale Community College	1
Rochester Community & Technical College	3
University of Minnesota - Duluth	13
University of Minnesota - Twin Cities	83
Vermillion Community College	11
<b>Minnesota Totals</b>	<b>123</b>
<b>Missouri Institutions</b>	<b>Michigan Residents</b>
Central Missouri State University	1
Maryville University of Saint Louis	1
Missouri State University	3
Missouri Western State College	1
Northwest Missouri State University	1
Truman State University	4
University of Missouri - Rolla	12
University of Missouri - Columbia	3
University of Missouri - Kansas City	5
Webster University	5
<b>Missouri Totals</b>	<b>36</b>
<b>Nebraska Institutions</b>	<b>Michigan Residents</b>
University of Nebraska - Lincoln	1
<b>Nebraska Totals</b>	<b>1</b>
<b>North Dakota Institutions</b>	<b>Michigan Residents</b>
Bismarck State College	5
Dickinson State University	1
Mayville State University	2
Minot State University	7
Minot State University - Bottineau	1
North Dakota State College of Science	1
North Dakota State University	5
University of North Dakota	24
Valley City State University	3
<b>North Dakota Totals</b>	<b>49</b>
<b>Michigan Resident Totals</b>	<b>212</b>

**Table 17: Tuition Savings for Students with a Michigan  
Home State of Residence, 2004-05 School Year**

<b>Kansas Institutions</b>	<b>Michigan Residents</b>
Fort Hays State University	\$2,676.00
Kansas State University	\$7,103.59
<b>Kansas Totals</b>	<b>\$9,779.59</b>
<b>Minnesota Institutions</b>	<b>Michigan Residents</b>
Alexandria Technical College	\$944.00
Anoka-Ramsey Community College	\$51.21
Bemidji State University	\$4,566.50
Itasca Community College	\$710.76
Minneapolis Community & Technical College	\$3,299.54
Minnesota State Community & Technical College - Fergus Falls	\$2,008.00
Minnesota State University - Mankato	\$3,348.00
Normandale Community College	\$170.19
Rochester Community and Technical College	\$1,392.00
University of Minnesota - Duluth	\$41,469.19
University of Minnesota - Twin Cities	\$393,453.09
Vermillion Community College	\$10,356.48
<b>Minnesota Totals</b>	<b>\$461,768.96</b>
<b>Missouri Institutions</b>	<b>Michigan Residents</b>
Central Missouri State University	\$984.00
Maryville University of Saint Louis	\$800.00
Missouri State University	\$3,125.00
Missouri Western State University	\$288.00
Northwest Missouri State University	\$1,156.50
Truman State University	\$3,234.00
University of Missouri - Rolla	\$38,942.50
University of Missouri - Columbia	\$8,938.80
University of Missouri - Kansas City	\$12,686.10
Webster University	\$4,212.50
<b>Missouri Totals</b>	<b>\$74,367.40</b>
<b>Nebraska Institutions</b>	<b>Michigan Residents</b>
University of Nebraska - Lincoln	\$3,589.13
<b>Nebraska Totals</b>	<b>\$3,589.13</b>
<b>North Dakota Institutions</b>	<b>Michigan Residents</b>
Bismarck State College	\$2,057.00
Dickinson State University	\$1,927.00
Mayville State University	\$4,814.91
Minot State University	\$11,858.75
Minot State University - Bottineau	\$1,035.00
North Dakota State College of Science	\$833.04
North Dakota State University	\$10,354.65
University of North Dakota	\$58,095.28
Valley City State University	\$6,851.66
<b>North Dakota Totals</b>	<b>\$97,827.29</b>
<b>Total Michigan Resident Savings Per Semester</b>	<b>\$647,332.37</b>
<b>Total Michigan Resident Savings Per Year</b>	<b>\$1,294,664.74</b>

***Table 18: Participating MSEP Institutions in  
Michigan, 2004-05 School Year***

Ferris State University
Finlandia University
Lake Superior State University
Rochester College
Wayne State University
William Tyndale College

## **IV. Policy Research and Related Activities Update**

In August 2003, the Midwestern Higher Education Compact launched a policy analysis and research initiative to complement its cost-savings and student exchange programs. MHEC strives to foster dialogues about policy and practice between policymakers and postsecondary education leaders, and serve as a vehicle for information exchange across the region. This is accomplished through sponsorship of workshops and meetings; publication of policy briefs and research reports; maintenance of an educational policy database; and response to individual requests for policy-related data and information.

Just over two years since its inception, the policy research function of MHEC has evolved to include a Director of Policy Research, a 50% time Policy Research Associate (Jennifer Dahlquist, who also serves as MHEC's Director of Student Initiatives), and a 50% time Data Analyst/Policy Research Assistant (Gina Johnson). President Larry Isaak completes the Policy Research team.

The following policy-related initiatives and projects have been completed since November 2004, or are currently underway.

### **Project & Activities Completed**

#### ***Events & Activities***

- *Midwestern SHEEO Retreat*, Chicago, January 2005
- *The Midwest PERL* (ongoing). Launched on July 1, 2004, the Midwest PERL (Postsecondary Education Resource Library) is an online resource serving as both a web-based data book for the region and a library of policy reports and other resources, searchable by topic/issue, institutional sector (public, private, etc.) and institutional type (2-year, 4-year, etc.). From July 2004 through October 2005, the website experienced nearly 150,000 hits from 6,700 separate visitors, for a monthly average of 9,300 hits and 420 visitors. Encouragingly, 56% of PERL users return to the site each month, at an average rate of four times per user per month. MHEC staff continues to update PERL on a daily basis as new data and reports are made available.
- Responses to selected information requests:
  - Performance indicators for community colleges (Christopher Rasmussen, November 2005)
  - Institutional and state system tuition policies for college students displaced by Hurricane Katrina (Christopher Rasmussen and Jennifer Dahlquist, September 2005)
  - Higher education funding approaches in the Midwestern states (Janet Holdsworth, March 2005)

### ***Policy Briefs & Reports***

- *Trends in State-Sponsored Student Financial Aid: A Comparison of Grant Aid in the MHEC States* (Janet Holdsworth, Jennifer Dahlquist, and Takeshi Yanaguira, August 2005)
- *Investment Payoff: The Benefits of a Higher Education in the Midwestern States* (Janet Holdsworth, June 2005)
- *Measuring Up 2004: A National Report Card – A MHEC Perspective* (Christopher Morpew and Janet Holdsworth, May 2005)
- *Average Tuition and Required Fees: A Comparison of Public Colleges and Universities by Midwestern State* (Janet Holdsworth, Jennifer Dahlquist, and Takeshi Yanaguira, May 2005)
- *Average Faculty Salaries: A Comparison of Public and Private Institutions by Midwestern State* (Janet Holdsworth, Jennifer Dahlquist, and Takeshi Yanaguira, May 2005)

### ***Other Publications & Conference Presentations***

- *Politics, Economic Development, and Higher Education* (Larry Isaak, Federal Reserve Conference on the Future of Higher Education, Chicago, November 2005)
- *Conceptualizing the College Choice Process as a Benefit-Cost Dilemma: Human Capital Theory, “Rational Fantasies” and the “Adolescent Econometrician”* (Christopher Rasmussen, Association for the Study of Higher Education, Philadelphia, November 2005)
- *The Midwest PERL: An Online Tool for Policy Makers, Postsecondary Leaders and Researchers* (Jennifer Dahlquist, Midwest Association for Institutional Research, Columbia, Missouri, November 2005; Association for Institutional Research, San Diego, May 2005)
- *MHEC Cost Savings Initiatives* (Larry Isaak, Central Association of College and University Business Officers, Milwaukee, October 2005)
- *Beyond Metrics and Measures: Linking National, State, Regional, and Institutional Agendas* (Larry Isaak, Panel Moderator, National Accountability Conference, Charleston, South Carolina, September 2005)
- *The Public Benefits of Higher Education* (Larry Isaak, Panel Participant, SHEEO Annual Meeting, Colorado Springs, July 2005)
- *The Benefits of the Midwest Student Exchange Program* (Testimony to the joint meeting of the Wisconsin Senate Higher Education and Tourism Committee and the Assembly Committee on Colleges and Universities, Larry Isaak, Madison, Wisconsin, March 2005)
- *Workforce Needs* (Larry Isaak, Panel Moderator, Association of Governing Boards, San Diego, April 2005)
- *Shifting Sands: Changing Demographics & Policy Trends that will Impact Education in the Midwest* (Larry Isaak, Midwest Regional Forum of the College Board, Chicago, February 2005)



### ***Invited Forum Participation & Research Affiliation***

- *National Collaborative Policy Summit* meeting (Larry Isaak, Jackson Hole, Wyoming, October 2005)
- *Initiative on Adult Learners* – Council for Adult and Experiential Learning/Lumina Foundation for Education (Christopher Rasmussen, Chicago, October 2005)
- *Minnesota Task Force to Study Higher Education Funding Alternatives* (Larry Isaak, St. Paul, August 2005)

### **Projects & Activities In-Progress as of November, 2005**

- *The Midwestern Education to Workforce Policy Initiative: Seamless Development of Talent for the 21<sup>st</sup> Century* – a three year collaborative effort with the Council of State Governments' Midwestern Legislative Conference and Midwestern Governors Association, with funding from Lumina Foundation for Education
- *Online Distance Education Policy Report*, funded by Lumina Foundation for Education (Janet Holdsworth)
- *Institutional Responses to Volatile Energy Markets* – an effort to assess the policy and programmatic responses of Midwestern colleges and universities to the recent dramatic increase in energy costs (Christopher Rasmussen and Rob Trembath)
- *2<sup>nd</sup> Annual Midwestern SHEEO Retreat* (January 2006)

### **Policy Research Advisory Committee**

The Policy Research Advisory Committee, established in April 2004, consists of one Commissioner from each member state and additional individuals from organizations across the region. The Policy Research Advisory Committee assists the Director of Policy Research in developing and furthering a policy research agenda, and helps to identify policy-related products and services of greatest utility to commissioners and policy makers. The Committee meets during the annual meeting and occasionally throughout the year via conference call.

The Committee's current membership consists of:

Jay Noren, Executive Vice President & Provost, University of Nebraska (Chair)  
Brad Burzynski, State Senator, IL  
Robert Downer, President Pro Tem, Iowa Board of Regents  
Tim Flakoll, State Senator, ND  
Thomas George, Chancellor, University of Missouri-St. Louis  
Conway Jeffress, President, Schoolcraft College  
Robert Jones, Senior Vice President for System Administration, University of Minnesota  
Luke Messer, State Representative, IN  
Lana Oleen, former MHEC Chair and former Senate Majority Leader, Kansas  
David Ponitz, President Emeritus, Sinclair Community College, OH  
Rolf Wegenke, President, Wisconsin Association of Independent Colleges and Universities

*Ex-Officio Members*

Debra Bragg, Professor, Educational Organization & Leadership, University of Illinois

Kate Carey, Executive Director, Ohio Learning Network

Larry Isaak, President, MHEC

Mike McCabe, Director, Council of State Governments, Midwest Office

Christopher Rasmussen, Director of Policy Research, MHEC

Ada Simmons, Associate Director, Indiana Education Policy Center, Indiana University

## V. Michigan Postsecondary Education and Related Data Trends

The following section provides data on leading indicators and measures related to higher education. This data can assist policymakers in assessing Michigan's readiness to develop the human capital necessary to advance the state's quality of life through both economic development and the growth and maintenance of strong, stable, vibrant communities. Data is provided in the following areas:

- State Demographics and Fiscal Resources
- Postsecondary Preparation and Participation
- Higher Education Funding and Affordability
- Economic and Social Benefits of Higher Education

The tables that follow provide state-specific data for Michigan, for the other 10 states in the MHEC region, and for the nation. Each state possesses a unique social, cultural, economic, and political context which may make certain interstate comparisons difficult or misleading. State-specific data are provided to enable policymakers to benchmark their state's position or performance against others as they see fit or appropriate.

These indicators are not exhaustive, but can be used to help Michiganders better understand both the strengths of their state and areas that may need attention in order to position Michigan to compete and thrive in the rapidly evolving knowledge-based economy. Sources for the data that follow include the following:

- ACT
- Annie E. Casey Foundation
- Institute for Higher Education Policy
- National Association of State Student Grant and Aid Programs.
- National Center for Education Statistics, U.S. Department of Education
- National Center for Higher Education Management Systems
- National Center for Public Policy and Higher Education
- *Postsecondary OPPORTUNITY* (Thomas Mortenson)
- State Higher Education Executive Officers
- U.S. Bureau of the Census
- Western Interstate Commission for Higher Education

Leading Demographic Indicators. **Table 19** provides demographic data for Michigan along with data from other MHEC states for comparison purposes. Most striking is the projected population changes anticipated across the region over the next 20 years.

**Table 19: Leading Demographic Indicators – Michigan  
Compared to other MHEC States and the National Average**

	Projected change in total population, 2000-2025 <sup>1</sup>	Projected change in 18-24 age group, 2000-2025 <sup>1</sup>	Projected change in 25-44 age group, 2000-2025 <sup>1</sup>	Projected change in number of high school graduates, 2002-2018 <sup>2</sup>	% of adult population with less than a high school diploma or equivalent (2004) <sup>3</sup>	% of adult population with a bachelor's degree or higher (2004) <sup>3</sup>	Net migration rate of 22-29 year-olds with a bachelor's degree or more, 1995-2000 <sup>1</sup>
<b>MI</b>	<b>1.4%</b>	<b>-4.2%</b>	<b>-11.8%</b>	<b>3.9%</b>	<b>13.1%</b>	<b>24.6%</b>	<b>-4.4%</b>
U.S.	19.1%	11.9%	0.6%	11.1%	16.1%	27.0%	N/A
IA	3.9%	-13.8%	-10.6%	-7.4%	10.5%	23.9%	-24.3%
IL	8.2%	3.3%	-5.1%	5.8%	14.8%	29.1%	11.1%
IN	7.6%	-5.6%	-7.8%	25.7%	15.6%	21.5%	-13.4%
KS	15.6%	2.2%	1.5%	1.1%	10.6%	28.3%	-4.1%
MN	12.0%	-0.5%	-6.0%	0.7%	9.3%	29.7%	9.2%
MO	11.7%	0.2%	-4.9%	-0.4%	13.7%	24.3%	-0.2%
ND	13.6%	-4.5%	-1.4%	-30.2%	12.1%	24.0%	-45.5%
NE	12.8%	-1.9%	-2.9%	-1.1%	10.6%	26.6%	-9.7%
OH	3.4%	-3.0%	-10.5%	0.5%	13.4%	23.3%	-4.0%
WI	9.4%	-4.3%	-8.0%	-4.2%	12.9%	24.1%	-10.5%

<sup>1</sup>National Center for Higher Education Management Systems, <http://www.higheredinfo.org>. Data from the U.S. Census Bureau

<sup>2</sup>Western Interstate Commission for Higher Education, *Knocking on the College Door: Projections of High School Graduates by State, Income and Race/Ethnicity* (2003).

<sup>3</sup>U.S. Census Bureau, 2004 American Community Survey.

As can be seen in the table, the Midwest is expected to grow at a slower rate than the rest of the nation over the next 20 years. The projections for Michigan are particularly bleak, with an expected total population growth of only 1.4%—the lowest in the MHEC region and considerably less than the national average of 19.1%. Michigan is expected to experience an actual decline in its population of 18 to 44-year-olds, and a modest increase in high school graduates. Michigan is also a net exporter of college graduates, having lost 4.5% more educated young adults than it welcomed between 1995 and 2000. Current and projected demographic trends do not work in Michigan's favor.

Michigan is positioned near the middle of MHEC states in the level of formal education possessed by its citizens. Michigan ranks above the national average in the percentage of its adult population that has earned a high school diploma or equivalent, but below the national average in the proportion of its citizens with a bachelor's degree or higher.

*Leading Financial Indicators.* **Table 20** provides financial data for Michigan along with data from other MHEC states for comparison purposes. Michigan's effective tax rate declined by 0.9% between 1992 and 2002—near the average for the MHEC region but below the national average of 1.3%. However, during that same 10-year period Michigan went from third to a tie for first in a ranking of MHEC states on this measure. This effective tax rate has not translated into substantially higher revenues—Michigan ranks only in the middle of MHEC states in tax revenue per capita, and experienced the second lowest increase in tax revenue in the region between 1992 and 2002, reflecting slow or negative growth in the state's total pool of taxable resources. The state's income and poverty figures are likely a function of its slow growth rates: Michigan had the highest child poverty rate in the region in 2004, while the poorest 20% of its population received an average income that was lower in all but one of the other MHEC states.

**Table 20: Leading Financial Indicators: Michigan  
Compared to other MHEC States and the National Average**

	Average income of poorest 20% of population (2002) <sup>1</sup>	Tax revenue per capita (2002) <sup>2</sup>	Percent increase in tax revenue, 1992 to 2002 (adjusted for inflation) <sup>2</sup>	Effective Tax Rate, 2002 <sup>2</sup>	Effective Tax Rate, 1992 <sup>2</sup>	Children in poverty (2004) <sup>3</sup>
<b>MI</b>	<b>\$12,800</b>	<b>3051</b>	<b>11.2</b>	<b>8.8%</b>	<b>9.7%</b>	<b>18%</b>
U.S.	\$12,072	3138	13.9	7.9%	9.2%	18%
IA	\$14,000	2837	10.4	7.6%	9.5%	12%
IL	\$13,000	3303	18.9	7.8%	8.6%	17%
IN	\$13,538	2759	17.0	7.5%	8.6%	15%
KS	\$13,000	2941	18.9	7.8%	8.7%	12%
MN	\$16,749	3673	17.5	8.5%	10.1%	11%
MO	\$13,200	2667	26.9	7.2%	7.6%	16%
ND	\$11,000	2727	27.0	7.9%	8.3%	16%
NE	\$13,189	3077	20.9	7.9%	8.8%	13%
OH	\$12,826	3170	29.1	8.5%	8.7%	18%
WI	\$14,910	3421	16.7	8.8%	10.4%	14%

<sup>1</sup>National Center for Public Policy and Higher Education, *Measuring Up 2004*.

<sup>2</sup>State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Tax revenue per capita includes revenue generated through taxation by both state and local governments. The Effective Tax Rate is equal to a state's actual tax revenue divided by its total taxable resources.

<sup>3</sup>Annie E. Casey Foundation, *Kids Count*, <http://www.aecf.org/kidscount/>.

*Postsecondary Preparation.* **Table 21** provides data on student academic preparation that reveals how Michigan compares to other states in the MHEC region, as well as “top performing” states in the nation. The selected indicators include high school completion rates, course taking behavior, and teacher qualification. (Research has shown that a student's participation in academically rigorous courses—in particular upper-level mathematics—is an excellent predictor of his or her chance of success in college.)

**Table 21: Postsecondary Preparation: Michigan Compared to other MHEC States and “Top Performing” States in the Nation<sup>1</sup>**

	18-24 year-olds with a high school credential (2002)	9 <sup>th</sup> to 12 <sup>th</sup> graders taking at least one upper-level math course (2001-02)	9 <sup>th</sup> to 12 <sup>th</sup> graders taking at least one upper-level science course (2001-02)	12 <sup>th</sup> graders taking at least one upper-level math course (2001-02)	7 <sup>th</sup> to 12 <sup>th</sup> graders taught by teachers with a major in their field (1999-2000)
<b>MI</b>	<b>89%</b>	<b>40%</b>	<b>27%</b>	<b>36%</b>	<b>66%</b>
Top performing states <sup>2</sup>	94%	59%	41%	66%	81%
IA	94%	50%	39%	n/a	80%
IL	87%	n/a	n/a	n/a	70%
IN	89%	46%	30%	29%	79%
KS	88%	n/a	n/a	n/a	70%
MN	93%	49%	30%	n/a	92%
MO	91%	55%	34%	n/a	66%
ND	97%	53%	35%	54%	73%
NE	90%	61%	38%	n/a	80%
OH	87%	47%	23%	54%	61%
WI	89%	58%	36%	56%	81%

<sup>1</sup>All data in the table are from the National Center for Public Policy and Higher Education, *Measuring Up 2004*.

<sup>2</sup>The average of the five states nationally with the highest scores in a given area.

Michigan ranks near the bottom of MHEC states in each of the postsecondary preparation indicators included in the above table. While Michigan’s high school credential rate among 18 to 24-year-olds is not far off the regional average, its students take advanced science and math courses in high school with much less frequency than in most of the other MHEC states. Only 40% of Michigan’s high schoolers took at least one upper-level math course in 2001-02, compared to a MHEC average of 51% and an average of the five top-performing states of 59%. In science, only Ohio performed more poorly. It is possible that in both Michigan and Ohio, lower than average advanced course-taking patterns is a function of a relative lack of qualified individuals to teach said courses. For example, only 66% of high schoolers in Michigan are taught by individuals with a college academic major related to the subject(s) they teach (61% in Ohio), compared to an average of 81% in top performing states. The challenges in recruiting and retaining highly qualified teachers in the state’s large urban and widely dispersed rural school districts may be a contributing factor in Michigan’s below-average performance in this area.

At the county level, Michigan’s high school credential rate among 18 to 24-year-olds varies significantly. According to data from the 2000 Census analyzed by the National Center for Higher Education Management Systems, Isabella County (93.4%), Washtenaw County (92.4%), and Houghton County (91.6%) lead the state in this measure—probably not surprising given the concentration of higher education institutions in those counties. Luce County (56.8%), Oceana County (57.5%), and Oscoda County (58.5%) have the lowest percentage of young adults with a high school credential. The counties with the sharpest decline in this measure over the past

decade are Isoco (-13.2%), Luce (-11.1%), and Dickenson (-9.3%). The counties with the largest increase over the past decade are Ionia (+7.1%) and Benzie (+6.9%).

*Participation, Persistence and Completion.* **Table 22** reveals how Michigan compares to other MHEC states, as well as “top performing” states in the nation, in the area of student progress through the postsecondary educational pipeline. Michigan’s performance in this area relative to other MHEC states is mixed.

**Table 22: Postsecondary Participation, Persistence, and Completion: Michigan Compared to other MHEC States and “Top Performing” States in the Nation<sup>1</sup>**

	Chance for college by age 19 (2000) <sup>2</sup>	18-24 year-olds enrolled in college (2002)	25-49 year-olds enrolled part-time in any type of postsecondary education (2001)	First to second year persistence of full-time students at two-year institutions (2000-01)	First to second year persistence of full-time students at four-year institutions (2000-01)	First-time, full-time students earning a bachelors within 6 years of enrollment (2001-02)	Certificates, degrees, and diplomas awarded at all institutions per 100 undergraduates (2001-02)
<b>MI</b>	<b>40%</b>	<b>38%</b>	<b>4.1%</b>	<b>47%</b>	<b>79%</b>	<b>54%</b>	<b>15</b>
Top performing states <sup>3</sup>	52%	40%	5.4%	63%	84%	64%	21
IA	52%	36%	3.0%	50%	79%	62%	21
IL	42%	33%	4.9%	53%	79%	58%	17
IN	41%	30%	3.2%	53%	77%	54%	17
KS	50%	37%	4.4%	51%	74%	50%	18
MN	53%	36%	3.7%	56%	80%	55%	19
MO	39%	32%	3.9%	52%	76%	53%	18
ND	58%	42%	2.3%	n/a <sup>4</sup>	72%	44%	19
NE	50%	38%	4.2%	52%	76%	50%	18
OH	39%	34%	3.2%	55%	75%	54%	17
WI	45%	31%	3.7%	49%	81%	57%	20

<sup>1</sup>Information in this table is from the National Center for Public Policy in Higher Education, *Measuring Up 2004*, with data from Thomas Mortenson and *Postsecondary Education OPPORTUNITY*, U.S. Census Bureau, ACT, and the National Center for Education Statistics.

<sup>2</sup>“Chance for college” is defined as the relative probability that a student entering ninth grade will finish high school in four years and proceed directly to college.

<sup>3</sup>The average of the five states nationally with the highest scores in a given area.

<sup>4</sup>The sample size for this measure was too small to provide an accurate percentage figure.

Only 40% of Michigan’s entering ninth-graders finish high school in four years and proceed directly to college. This “chance for college” figure is only one point above the low for the MHEC region, and 12 points below the average of the nation’s top performing states. However, 38% of 18 to 24-year-olds in Michigan were enrolled in college in 2002—a rate surpassed only by North Dakota and just two points below the top performing states. In the 25 to 49-year-old age group, 4.1% of Michiganders are enrolled in some form of postsecondary education (both degree and non-degree programs). While this rate is fourth in the MHEC region, it is substantially below the 5.4% rate evidenced by the top performing states. Given the continued

loss of jobs in manufacturing and related industries, Michigan will need to enroll a larger number of its citizens in postsecondary programs to provide them with the education and training necessary for success in the 21<sup>st</sup> century economy.

While Michigan's college-going rate is relatively high, its retention and completion rates are not. Michigan ranks last among MHEC states in the rate of first to second year persistence of full-time students at its two-year colleges at 47%. While Michigan's persistence rate at its four-year institutions ranks near the top of the MHEC region, its six-year graduation rate is lower than the MHEC average. The rate of postsecondary credentialing in Michigan—a proxy for the relative efficiency of the state's postsecondary system—ranks last in the MHEC region, with just 15 postsecondary degrees, certificates, and diplomas awarded for every 100 undergraduates enrolled.

*Individual and State-Level Benefits.* **Table 23** reflects the general economic and social benefits that Michigan and other MHEC states derive from having an educated citizenry. In the areas of personal income, unemployment and public assistance rates, voter participation, and volunteerism, a college degree works significantly to an individual's and to the state's advantage.

**Table 23: Benefits of Higher Education: Michigan Compared to other MHEC States and the National Average**

	Population 25-64 years old with a BA or higher (2000-2002 average) <sup>1</sup>	Difference in personal income, bachelors degree vs. high school diploma (2004) <sup>2</sup>	Difference in unemployment rates, bachelors degree vs. high school diploma (2004) <sup>2</sup>	Difference in public assistance rates, bachelors degree vs. high school diploma (2004) <sup>2,3</sup>	Difference in November 2000 election voting rates, bachelors degree vs. high school diploma (2000) <sup>2</sup>	Difference in rates of volunteerism, bachelors degree vs. high school diploma (2004) <sup>2</sup>
<b>MI</b>	<b>27%</b>	<b>96%</b>	<b>71%</b>	<b>46%</b>	<b>38%</b>	<b>77%</b>
U.S.	26% <sup>4</sup>	93%	48%	72%	36%	73%
IA	28%	61%	76%	54%	44%	82%
IL	29%	89%	37%	100%	29%	73%
IN	24%	89%	61%	100%	37%	69%
KS	32%	71%	68%	100%	44%	97%
MN	31%	84%	47%	100%	23%	41%
MO	28%	73%	65%	100%	25%	129%
ND	27%	70%	80%	80%	34%	51%
NE	29%	75%	83%	100%	37%	71%
OH	26%	89%	44%	100%	40%	43%
WI	25%	70%	67%	100%	40%	79%

<sup>1</sup>National Center for Public Policy in Higher Education, *Measuring Up 2004* (Data from U.S. Census Bureau).

<sup>2</sup>Institute for Higher Education Policy, *The Investment Payoff* (Data from Current Population Survey, 2004 or 2000).

<sup>3</sup>In cases where the public assistance rate is less than 0.05% the figure rounds to zero, resulting in a drop in public assistance rates approaching 100%.

<sup>4</sup>U.S. Census Bureau, Current Population Survey, 2002).



As can be seen in the table, a Michigander with a bachelor's degree earns on average almost twice as much as a resident with only a high school diploma—the highest earnings premium in the MHEC region, and the only MHEC state above the national average on this measure. This increased earning power benefits not only the individual degree holder, but also the state and the public at large through increased tax revenue, additional investment capital, greater charitable giving, and increased consumer spending. Higher education is clearly a means of bettering economically both the individual citizen and the state as a whole.

At the same time, the data reveal that the added value in Michigan of a bachelor's degree compared to a high school diploma is less in some areas than others. While the state's "degree premium" is higher than the national average on every measure in the above table, other MHEC states appear to receive a greater relative benefit from having a higher educated citizenry. For example, while bachelor's degree holders in Michigan are 71% less likely to be unemployed than are high school graduates, they are only 46% less likely to be receiving public assistance. Michigan ranks near the middle of MHEC states in the difference in voting rates and volunteerism among individuals with a bachelor's degree compared to citizens with a high school diploma.

***Affordability.*** **Table 24** reveals how Michigan compares to other MHEC states and the national average on indicators related to the affordability of higher education. These indicators include measures related to the percent of family income needed to pay for college expenses, the change in the percentage of college costs borne by students/families and the state during a recent 10-year period, and the size of the average federal student loan of undergraduate borrowers in 2003.

Generally speaking, it costs more for individuals to attend public colleges in universities in Michigan than it does in most other MHEC states. When measured as a percentage of average family income, only Ohioans pay more to attend to four-year institutions, while two-year colleges are more costly to families in Ohio, Iowa, and Indiana. (The average published tuition and fee charges for Michigan's four-year public institutions for 2005-06 is \$7,100—compared to a MHEC average of \$5,745—and representing a 12% one-year increase.) However, four-year private institutions are relatively more affordable in Michigan than in all but one other MHEC state (with a Michigan state average 23 points below the national mean). Private colleges in Michigan are undoubtedly made more affordable due in part to the state's generous student grant aid program. For example, Michigan provides more need-based grant aid to students at its in-state private colleges than does every state except Illinois, while many Michiganders benefit from the Michigan Merit Award (over 50,000 students eligible for \$130 million in 2004 alone).

While the data on college affordability in Michigan is mixed, the overall state funding picture is not. Like most of the country, the balance of higher education funding between state government and students has shifted so that families in all but one MHEC state were contributing a greater percentage of higher education operating revenues in 2004 than they were in 1994. While the rate of increase in Michigan was slightly below the MHEC average, families in Michigan contribute a full 50% of public higher education operating revenues—up from 44% in 1994, and now the highest in the MHEC region (and much higher than the national average of 36%).

**Table 24: Affordability of Higher Education: Michigan Compared to Other MHEC States and the National Average**

	Percentage of average annual family income needed to pay for public two-year college expenses minus financial aid, 2003-04 <sup>1</sup>	Percentage of average annual family income needed to pay for public 4-year college expenses minus financial aid, 2003-04 <sup>1</sup>	Percentage of average annual family income needed to pay for private 4-year college expenses minus financial aid, 2003-04 <sup>1</sup>	Family share of public higher education operating revenues (2004) <sup>2</sup>	Family share of public higher education operating revenues (1994) <sup>2</sup>	Percentage of average income needed for the poorest 20% of families to pay tuition at the states lowest-priced colleges, 2003-04 <sup>1</sup>	Average federal undergraduate student loan, 2003 <sup>1,3</sup>
MI	22%	32%	45%	50%	44%	15%	\$2,963
U.S.	22%	29%	68%	36%	31%	14%	\$3,344
IA	24%	28%	54%	47%	34%	19%	\$2,961
IL	21%	30%	62%	27%	21%	14%	\$3,615
IN	24%	29%	61%	49%	40%	18%	\$3,231
KS	19%	23%	46%	36%	30%	14%	\$3,204
MN	19%	23%	50%	42%	31%	20%	\$3,050
MO	20%	28%	50%	38%	39%	15%	\$3,240
ND	22%	25%	34%	40%	34%	22%	\$2,793
NE	18%	24%	48%	38%	27%	13%	\$3,096
OH	27%	36%	62%	49%	45%	22%	\$3,380
WI	18%	22%	54%	38%	28%	17%	\$3,076

<sup>1</sup>National Center for Public Policy and Higher Education, *Measuring Up 2004*. Data from National Center for Higher Education Management Systems, National Center for Education Statistics, U.S. Office of Postsecondary Education, and the U.S. Census Bureau.

<sup>2</sup>State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*.

<sup>3</sup>Figures include both student and parent loans, but do not include loans originating from state sources or private loans (including credit card debt). The figure is therefore not an accurate measure of total student borrowing, which would be higher than the figures listed.

Michigan ranks in the lower half of MHEC states in the average size of federal undergraduate student loans in 2003—11% below the national average. It is important to note that these figures do not include loans not part of federally managed or subsidized programs, such as loans from family members, credit cards and other private bank loans, etc.

**Higher Education Funding.** *Table 25* reveals how Michigan compares to other MHEC states and to the national average on various measures of higher education funding. Michigan is a “high tuition, high aid” state, meaning that tuition levels at public institutions are higher than average, as are appropriation levels for student financial aid programs. In contrast, other states have adopted a “low tuition, low aid” model or a middle ground approach, which means that in general they provide larger subsidies to institutions, have lower tuition, and have a reduced need for student financial aid programs. For this reason, it is misleading to examine a state’s student financial aid effort independent of its institutional subsidy levels and measures of student and family affordability.

As noted previously, Michigan operates fairly generous need-based and merit-based student aid programs, awarding a combined total of \$212 million in 2003-04, with \$168 of this in grants. As a percentage of total state expenditures for higher education operating expenses, Michigan ranks 5<sup>th</sup> in the MHEC region in this area with a figure of 8.5%. However, Michigan ranks last among states in the percentage of student aid that is awarded solely on the basis of need.

**Table 25: Higher Education Funding: Michigan  
Compared to other MHEC States and the National Average**

	Total State Grant Expenditures (Need and Merit Based) as a Percentage of Higher Education Operating Expenses (2003-04)	Percentage of Total Grant Aid Awarded Solely on the Basis of Need (2003-04)	State and Local Appropriations for Public Higher Education Operating Expenses per FTE <sup>1</sup>		State and Local Appropriations for Public Higher Education Operating Expenses per capita <sup>2</sup>		State and Local Appropriations for Higher Education as a Percentage of Tax Revenue and Lottery Proceeds (2003) <sup>2</sup>		State Need-Based Grant Aid Awarded by Sector, 2003-04 (in millions) <sup>3</sup>	
			2004	1994-2004 change	2004	1994-2004 change	2003	1993	Public In-State	Private, Not-for-Profit In-State
MI	8.5%	58.0%	5425	-7.5	244	-0.8	8.3	8.2	30.72	66.61
U.S.	10.2%	73.8%	5721	-4.4	239	3.5	7.6	7.6	2,358.8	1481.9
IA	6.7%	99.1%	4953	-30.1	265	-11.1	9.7	10.4	3.26	40.96
IL	13.8%	91.3%	6487	8.2	262	10.5	8.0	7.7	175.23	147.50
IN	18.1%	61.3%	4604	-11.6	220	3.8	7.7	8.3	85.87	62.16
KS	2.1%	100%	5586	2.3	307	-2.5	10.1	11.5	6.47	7.53
MN	9.4%	99.9%	5314	-13.0	254	-9.9	7.1	8.6	62.34	39.38
MO	4.9%	60.9%	7185	18.9	183	6.4	6.9	7.4	9.74	15.37
ND	0.9%	76.7%	4464	-17.2	316	-2.2	11.8	14.3	1.08	0.268
NE	1.8%	100%	5256	-4.5	330	-2.9	11.0	12.3	n/a <sup>4</sup>	n/a <sup>4</sup>
OH	9.7%	72%	4277	-7.5	192	5.5	5.9	6.5	83.48	37.61
WI	6.8%	95.9%	5609	-17.7	266	-9.5	8.1	9.1	48.50	24.26

<sup>1</sup>State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Data is adjusted for regional cost of living, the relative mix of enrollments by institutional type, and 2004 dollars.

<sup>2</sup>State Higher Education Executive Officers, *State Higher Education Finance, FY 2004*. Adjusted to 2003 or 2004 dollars.

<sup>3</sup>National Association of State Student Grant and Aid Programs.

<sup>4</sup>Data by sector not available. Total need-based student aid awarded in Nebraska in 2003-04 was \$8.74 million.

Michigan is one of only two states that experienced an actual *increase* from 1993 to 2003 in the percentage of total state tax revenues and lottery proceeds devoted to higher education—near the median for the MHEC region at 8.3%, and higher than the national average of 7.6%. When measured on a per capital and per FTE basis, Michigan's higher education appropriations rank near the middle of MHEC states—in both areas declining more rapidly than the national average. These figures suggest that Michigan's higher education appropriations have not kept up with growth in enrollments, and that a smaller overall revenue base has resulted in reduced funding on an inflation adjusted basis.

*Summary.* Policy indicators related to higher education preparation, participation, funding and affordability do not work in Michigan's favor. Michigan's high school students are among the least prepared for college, which helps to explain why Michigan has a relatively high participation rate but does relatively poorly in getting students to persist in college and eventually earn postsecondary credentials of value. It does not help that Michigan is a net exporter of educated young adults, losing more college graduates than it receives through migration.

Whether the issue is academic preparation, financial challenges, inadequate course availability, poor advising, student work and family obligations, or some other factor, Michigan could benefit from identifying the barriers that prevent more students from persisting and graduating from college and developing initiatives to correct the problem. The benefits to Michigan of increasing the number of residents with bachelor's degrees are significant, and thus it is in the state's interests to devote increased attention to this area. For example, the earnings premium in Michigan for earning a bachelor's degree compared to a high school diploma is 96%—the highest in the MHEC region and above the national average.

Funding for higher education—and the affordability of college for students and families—is a mixed picture in Michigan. The state experienced the second lowest growth in tax revenues in the region between 1992 and 2002, which helps to explain why higher education appropriations have lagged despite having actually increased as a proportion of the total state budget, and despite Michigan having the highest effective tax rate in the MHEC region in 2002. The state does well in the relative affordability of its private colleges, but much less so with its public two-year and four-year institutions. This is not surprising considering that although Michigan awarded almost \$168 million in student financial aid in 2003-04, the state's families were responsible for a full 50% of total public higher education operating revenues.

The Midwest region as a whole faces obstacles of slow population growth and the need to diversify agriculture and manufacturing based economies. While the entire Midwest faces unfavorable demographic projections over the next 20 years, Michigan's challenges are particularly acute. Michigan's total population is expected to grow at the slowest rate in the nation between now and 2025. Michigan is expected to see a 3.9% increase in high school graduates by 2018—in the middle of MHEC states but well below the national average of 11.1%.

Throughout most of the 20<sup>th</sup> century, Michiganders could rely on high-paying manufacturing jobs and other skilled- and semi-skilled employment opportunities to sustain the state's economy and enable a comfortable standard of living. As Michigan's policymakers, educational leaders, and citizens have come to realize, those opportunities are much fewer now than they were even in the recent past. Increasing the state's postsecondary participation and success rate can help Michigan to build and retain a talent pool that can create jobs and develop an economy that enables the state to maintain a high quality of life for its citizens.

## **VI. e-Information**

MHEC continues to evaluate and upgrade its technological capabilities to more efficiently and effectively respond to its constituents' changing needs by providing e-information to its various constituents on cost-savings initiatives, news, policy reports, region-level data and other resources. Primarily this outreach and information-sharing initiative occurs through MHEC's website.

### **A. MHEC Website**

The Midwestern Higher Education Compact (MHEC) website ([www.mhec.org](http://www.mhec.org)) attempts to meet its various constituent's needs whether it be policy makers, higher education leaders, students and families or its commissioners. Highlights of the website are accessible pdf documents of member state's savings, program highlights, as well as public policy research reports, data and presentations from various policy research events. MHEC has various documents available in the publications sections, from program brochure information to Compact documents.

### **B. MHECtech Website**

The MHEC technology collaborative provides affordable access to computing resources for Midwestern colleges and universities and their faculty, staff and students. This site provides direct access to purchasing hardware, software and telecommunications products & services. It can be found at ([www.mhectechnology.org](http://www.mhectechnology.org)).

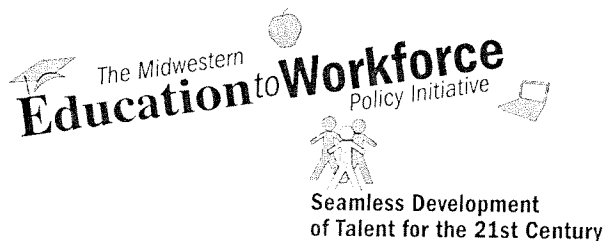
### **C. Electronic Newsletter**

MHEC continues to provide a monthly electronic newsletter to the constituents it serves and also posts it in the publications section of the MHEC website. The Novell/ MHEC Higher Education Collaborative and telecommunications listservs also provide updates on program happenings.

## **VII. Conclusion**

The Compact is committed to serving its various constituents more effectively and efficiently through collaborations. Responding to constituents' changing needs is even more important than years past because of the changing climate impacting postsecondary education in our Midwest states.

The information presented in this report clearly shows that MHEC's programs and services are aligned with the mission and goals established by the Commission. While MHEC's services have provided Michigan and other Midwest states significant savings, the organization will continue to respond to constituents' needs for new services such as the policy-research function.



*The Midwestern Education to Workforce Policy Initiative:  
Seamless Development of Talent for the 21<sup>st</sup> Century*  
*An Initiative of Midwestern Policymakers, Educators, and Business Leaders*

**Sponsored by:**  
*Midwestern Higher Education Compact  
Council of State Governments, Midwest Regional Office, through the  
Midwestern Legislative Conference and the  
Midwestern Governors Association*

The Midwestern Higher Education Compact (MHEC), together with the Council of State Governments' (CSG) Midwestern Legislative Conference (MLC) and Midwestern Governors Association (MGA), have partnered in a first-of-its-kind regional P-16 education to workforce collaborative: *The Midwestern Education to Workforce Policy Initiative: Seamless Development of Talent for the 21<sup>st</sup> Century*. This endeavor is designed to facilitate the work of state teams of legislators, governors, educators, and business leaders to address linking P-16 education systems and workforce development efforts to generate a thriving, 21<sup>st</sup> century economy in the Midwest.

The ultimate objective of the initiative is to enable citizens to make successful and seamless transitions between and among formal education systems, job training programs, and the workplace. Consistent with this objective, it is hoped that citizens, educators, governing bodies and business leaders will commit to promoting an ethic of lifelong learning and ongoing skill development to insure a flexible, adaptable workforce for the evolving economy.

The initiative is designed to equip states with the tools they need to build a knowledgeable, skilled and creative workforce to drive their economies. In the short-term, it is designed to create opportunities for collaboration and information sharing within and across states through a regional policy summit, state roundtables, a policy report series, and ongoing dialogue among each state's network of stakeholders. Each of the states will establish a series of goals and a plan of action given their unique economic, social, political, and cultural contexts. States participating in the initiative are Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

### *Significant Issues and Challenges*

The education, training, and employment options available to high school graduates is dependent upon their academic preparation in preschool, elementary, and secondary classrooms, as well as the affordability, variety, and location of postsecondary opportunities that exist. In an ideal world, education and training programs—whether they are provided by public schools, colleges and universities, proprietary institutions, adult education centers, distance learning sites, military branches, corporate training divisions, or some other institution or medium—would be responsive to the labor market and the current and future needs (both known and unknown) of a state's employers. Recent employment projections show that most new jobs in the future will require a college degree or advanced technical training, and future workforce shortages are expected to be most acute in fields requiring the highest levels of skills and education.

Policymakers are under growing pressure to be more proactive if states are to address adequately workforce and skill shortages and keep up with labor market demand. While various state-level initiatives exist to examine "seamless education," these initiatives tend to focus primarily on the structure and other particulars of the education system itself (such as with P-16 councils and committees), and whether schools and colleges are producing workers to fill existing job vacancies. Less often do these efforts include an examination of whether citizens are prepared for both current job opportunities and for a lifetime of continuing education and skill development to maintain employability in a constantly evolving, global, knowledge-based economy.

Midwestern states are facing unique challenges relative to the rest of the country in their ability to prepare the region's future workforce. Demographic challenges include the aging of the population, the increasing diversity of the citizenry, and the out-migration of educated young people to other regions of the country. Economic challenges include the continued contraction of the manufacturing and agricultural sectors, a significant loss of employment options for low- to semi-skilled workers, and the globalization of business and labor markets that calls for the development of an educated, highly-skilled, creative, and entrepreneurial American workforce.

### *Components of the Initiative*

The worlds of education and the workplace are converging in historic ways. As our understanding of the creation and cultivation of a knowledge-based economy is enhanced, it becomes clear that education and workforce development must be two components of a comprehensive strategy for local communities, states, regions, and countries. The impact of such a strategy will reach the full scope of our lives, from personal, quality-of-life issues, to community-wide considerations of economic development and collective well-being.

This collaborative initiative consists of three critical components, the results of which combine to strengthen the *foundations*, *transitions*, and *collaborations* associated with successful education and workforce policy development and implementation: (1) a policy summit that enables leaders and experts to explore the salient issues of seamless transitions



within the P-16 education system and from education to the workforce; (2) a series of roundtables in individual states with leaders and lawmakers who will develop a cohesive education and workforce policy agenda leading to policy action; and (3) a policy report series and continued networking among stakeholder groups and community members focused on the promotion of education and workforce connections.

- **Policy Summit.** The initiative's "kick-off" event was a regional policy summit held in St. Paul, Minnesota on October 27-29, 2005. The summit was designed to facilitate the work of state teams of delegates consisting of legislators, governors, educators and business leaders to address the linking of P-16 education systems to workforce development efforts as part of a strategy to generate a thriving, 21<sup>st</sup> century economy in the Midwest. Over 125 delegates from 13 states heard from experts on education to workforce policy issues and exchanged ideas and shared information in intrastate and interstate teams. Experts who addressed the participants were Mr. Paul Solman, the business and economic correspondent for the *NewsHour* with Jim Lehrer; Mr. Richard Judy, CEO of Workforce Associates, Inc.; Ms. Joyce Gioia, President of The Herman Group; and Mr. Roberts Jones, President of Education & Workforce Policy, LLC.

The goals of the summit were twofold: 1) to identify key issues involving the creation and establishment of a seamless relationship we know must exist between the worlds of education and the workplace; and 2) to take home an agreed upon articulation of these issues in the form of potential policy solutions that will benefit each of the participating states, and ideally the entire Midwest region. During the summit, participants spent six hours in interdisciplinary teams working through a facilitated process to identify problems and policy solutions in the following, broadly-defined areas: 1) Foundational Skills (literacy, numeracy, and science); 2) Financial Access to Educational Opportunities; 3) Preparedness (access, choice, and participation in educational systems); 4) Transitions In/Out of Educational Systems and the Workforce; 5) Transitions Within Educational Systems; and 6) Interconnections (interweaving education and work for lifelong learning). State delegations also met to identify and prioritize significant issues to address through facilitated roundtables for the second year of the initiative.

- **State Roundtable Series.** Building on the momentum established by the Policy Summit, each of the participating states will continue the dialogue on a local level by organizing at least one roundtable involving a representative group of leaders and stakeholders from government, education, and business. The ultimate objective of the roundtables is to develop a plan of action for moving the Education to Workforce agenda forward through policy recommendations, draft legislation, programmatic initiatives, and other strategies. States will create roundtable formats and agendas that respond to their individual political, economic, social and cultural contexts and realities. Each state will receive funding to help cover the expenses associated with the roundtable. Members of the Education to Workforce Project Team will work with each state to identify the appropriate convening authority for the roundtable, develop

a list of possible participants, and create an agenda. Project Team representatives will also travel to each state to attend the roundtable and help facilitate as desired.

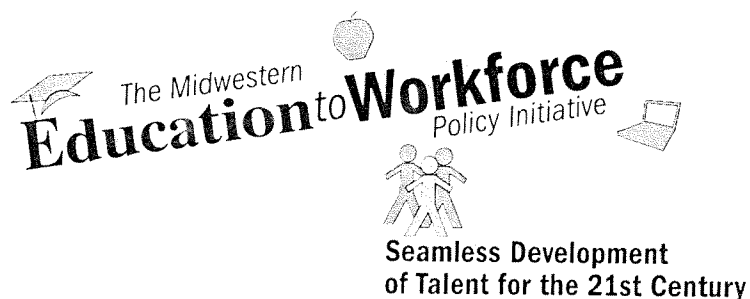
- **Policy Report Series.** A series of publications will be created in the third year of the initiative, describing the roundtable process followed by each state, the challenges they faced, and the successes and encouraging outcomes that resulted from their efforts. Data on workforce trends, future projections, and strategies for success will be presented. This will include a number of “best practices” or model programs in the states, which will be described in detail. The purpose of the report series is to 1) help educate stakeholders and citizens about the need for improved education to workforce connections and transitions; 2) document the process followed by the states so the effort can be duplicated in other regions of the country; and 3) disseminate the resulting policy agendas, action plans, and model practices to the region and to the nation to improve knowledge and instill confidence that the future of the Midwest is bright and full of possibility.

### *Sponsoring Organizations*

Established in 1991 as a statutorily created interstate compact, the **Midwestern Higher Education Compact (MHEC)** is charged with promoting regional cooperation and resource sharing in higher education through three core functions: cost savings programs, student access initiatives, and policy research. The member states of MHEC are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.

Since 1933, The **Council of State Governments (CSG)** has served state officials from all three branches of government to put the best ideas and solutions into practice. Through the Midwestern Legislative Conference and the Midwestern Governors Association, CSG-Midwest advocates multi-state problem solving and innovation in the states of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

The primary source of funding for the Education to Workforce Initiative is **Lumina Foundation for Education**, an Indianapolis-based, private, independent foundation that strives to help people achieve their potential by expanding access in success in education beyond high school. Through grants for research, innovation, communication, and evaluation, as well as policy education and leadership development, Lumina Foundation addresses issues that affect access and educational attainment among all students, particularly underserved student groups, including adult learners.



## Education to Workforce (E2W) State Roundtable Criteria

The objective of state roundtables is to build on the momentum established at the October policy summit and develop a plan of action for moving the Education to Workforce agenda forward in the states through policy recommendations, draft legislation, programmatic initiatives, and other strategies. States are free to develop roundtable formats and agendas that respond to their unique political, economic, social and cultural contexts and realities.

At the same time, certain guidelines are to be followed in the development and execution of roundtables in order to maximize their effectiveness, remain consistent with the larger project goals, and respond to the interests and expectations of the primary sponsor of the initiative (Lumina Foundation for Education). Each state will receive funding to help cover the expenses associated with the roundtable. Members of the Project Team will work with each state to identify the appropriate convening authority for the roundtable, develop a list of possible participants, and create an agenda. Project Team representatives will travel to states to attend roundtables and help facilitate as desired.

### Participation

Roundtables must include representation from a variety of industries, sectors, and stakeholder groups to maximize the perceived legitimacy of the effort and to help insure contribution and investment from all affected parties and potential agents of change in the state. The Project Team also strongly encourages states to consider diversity and attempt to reflect the composition of the state's citizens in assembling roundtables.

#### Education Participants

*Required Participants (at least one participant from each of the six groups below)*

- Community & technical colleges
- Four-year regional institutions
- Private/Independent institutions
- Research institutions
- Tribal colleges (if applicable)
- K-12 Education

#### *Optional/Encouraged Representation*

- Special education
- Home schools
- Superintendents
- Principals
- Charter schools
- Teachers
- Education researchers
- Career colleges
- Online/distance education institutions
- Adult/family education
- Early childhood education
- Postsecondary students
- Guidance and career counselors

## Government Participants

### *Required Participants*

- Governor or Governor's representative
- Legislators — minimum of 4 with:
  - Bipartisan representation from each chamber
  - Representation from key committees (e.g., K-12, commerce, appropriations, higher education)

### *Optional/Encouraged Participants*

- Key agency representatives (e.g., workforce investment agencies, departments of education and human services, higher education governing/coordinating boards)
- P-16 councils
- Local government representatives

## Business Participants

### *Required Participants*

- Employers (with representation from a minimum of 5 key employers in the state)

### *Optional Participants*

- Small business associations
- State/local chambers of commerce
- Industry-specific associations or groups

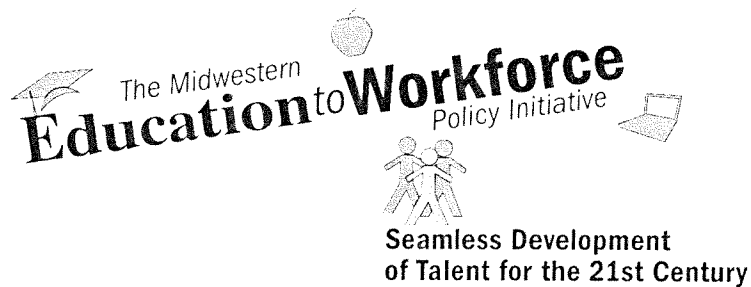
## Other Participants

- MHEC Commissioners and members of the MLC Executive Committee from the state must be invited to the roundtable.
- The roundtable agenda must include an opportunity for a representative(s) of the E2W Project Team to provide an overview of the E2W initiative.

## **Outcomes**

The following outcomes must be achieved from the roundtables:

1. Identification of key education to workforce issues in the state
2. Assessment of state-specific needs, barriers, and opportunities in developing more seamless transitions from education and training to the workforce
3. Specific policy recommendations OR a defined process for developing policy recommendations
4. An action plan for sustaining the initiative, including next steps
5. A completed expense report including accounting and documentation of use of any funds received from MHEC or CSG
6. A written report to the E2W project staff, minimally addressing items 1-5



### State Roundtable Planning Efforts Known to Staff as of February 13, 2006

**Illinois.** Roundtable planning efforts in Illinois are unknown at this time. Phone calls to Summit delegates to assess progress and offer assistance in planning will be made soon.

**Indiana.** Representatives from the General Assembly, the Department of Education, and the Commission for Higher Education have initiated roundtable planning efforts in Indiana. The Education to Workforce roundtable will likely be held under the auspices of the Indiana Education Roundtable, which is co-chaired by the Governor and the Superintendent of Public Instruction. The Indiana Education Roundtable is composed of equal representation from the business community and education, with additional representatives from the General Assembly. The planning group has drafted a resolution to be presented to the General Assembly to provide additional exposure and a legislative imprimatur to the Education to Workforce roundtable.

**Iowa.** Both legislative and higher education representatives have indicated an interest in joining in roundtable planning in Iowa. Laura Klierer of CSG held a meeting with these individuals during her state visit to Des Moines on February 7. Planners are considering the possibility of finding a speaker of national prominence to address a joint session of the legislature on critical workforce issues in Iowa.

**Kansas.** A roundtable planning meeting is scheduled in Kansas for February 13. The effort is being led by Lana Oleen, former state Senate majority leader and current MHEC commissioner, and Alexa Posny, Deputy Commissioner of the Kansas Department of Education.

**Kentucky.** Roundtable planning efforts in Kentucky are unknown at this time, although Allyson Handley, the Governor's Senior Policy Advisor for Postsecondary Education Initiatives, has offered her assistance to any planning committee that emerges. Given his location in Louisville and his relationship with representatives of numerous state agencies, Dan Ash has agreed to contact Dr. Handley and other Summit delegates and assist them with moving forward with roundtable planning.

**Michigan.** Planning for Michigan's roundtable began almost immediately following the Summit. The roundtable will be held May 25 in Lansing, with Roberts Jones as keynote speaker. The roundtable is being organized by the Presidents Council of the State University of Michigan, in collaboration with the state's Education Alliance and the Your Child Coalition. Lt. Gov. John Cherry, who chaired the Cherry Commission on Higher Education, is scheduled to participate.

**Minnesota.** Interest in helping to plan Minnesota's roundtable has been expressed by representatives of the state Department of Education, the Governor's Workforce Development Council, and two of the state's higher education executive offices. A planning meeting of representatives of these groups and other Summit delegates is being convened under the auspices of the state Office of Higher

Education. One suggested direction is for the roundtable to be aligned with the governor's high school reform initiative, which is funded through a grant from the National Governors Association.

**Missouri.** E2W efforts in Missouri are being aligned with the governor's Math and Science Education Summit planned for April 25. The E2W liaison to the summit planning committee is Mary Beth Luna, an Education Policy Analyst in the Office of the Governor and a delegate to the October Summit. Legislative, higher education, and business representatives are also involved.

**Nebraska.** Planning is underway for a roundtable to be organized under the auspices of an existing P-16 council in the state. Until now the council has included representatives exclusively from the education sector. The E2W Initiative has provided the impetus to broaden participation to include legislative, executive, and private-sector representation. Efforts are being led by administrators at the University of Nebraska, Lincoln.

**North Dakota.** Policy Summit delegates from North Dakota have shared with E2W staff that the October event provided the spark to move forward in convening a P-16 council in the state with broad representation from education, government, and the business community. The council meets monthly and will serve as the convening authority for the state's roundtable.

**Ohio.** A meeting of roundtable planners in Ohio is scheduled for February 17. Efforts are being coordinated by Michael Taggart, the Director for Workforce Development with the Ohio Board of Regents.

**South Dakota.** A meeting of Summit delegates was convened in January by Jim Soyer, chief of staff to Governor Mike Rounds. The group agreed to serve as a steering committee to plan the South Dakota roundtable, with the governor's office leading the effort. Two roundtables are tentatively scheduled for June and October. The roundtables will likely be aligned with the "2010E" initiative—the education component of the governor's larger vision for the future of the state

**Wisconsin.** A conference call with Wisconsin roundtable planners is scheduled for February 22. Participants will include Sen. Sheila Harsdorf, Rep. Barbara Toles, Rolf Wegenke of the Wisconsin Independent Colleges, and Mary Jurmain, a business owner from Eau Claire.

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Dr. Donald Mash (Alternate)  
Executive Senior Vice President  
University of Wisconsin System Office  
Madison, WI



## MIDWESTERN HIGHER EDUCATION COMPACT (EXCERPT)

Act 195 of 1990

### 390.1531 **Midwestern higher education compact.**

Sec. 1. The midwestern higher education compact is enacted into law and entered into with all jurisdictions legally joining in the compact, in the form substantially as follows:

#### MIDWESTERN HIGHER EDUCATION COMPACT

##### ARTICLE I. PURPOSE

The purpose of the Midwestern Higher Education Compact shall be to provide greater higher education opportunities and services in the Midwestern region, with the aim of furthering regional access to, research in and choice of higher education for the citizens residing in the several states which are parties to this Compact.

##### ARTICLE II. THE COMMISSION

A. The compacting states hereby create the Midwestern Higher Education Commission, hereinafter called the Commission. The Commission shall be a body corporate of each compacting state. The Commission shall have all the responsibilities, powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this Compact.

B. The Commission shall consist of five resident members of each state as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; 2 legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), who shall serve two-year terms and be appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. One of the two at-large members initially appointed in each state shall serve a two-year term. The other, and any regularly appointed successor to either at-large member, shall serve a four-year term. All vacancies shall be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

C. The Commission shall select annually, from among its members, a chairperson, a vice chairperson and a treasurer.

D. The Commission shall appoint an executive director who shall serve at its pleasure and who shall act as secretary to the Commission. The treasurer, the executive director and such other personnel as the Commission may determine, shall be bonded in such amounts as the Commission may require.

E. The Commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a majority of the Commission members of three or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

F. Each compacting state represented at any meeting of the Commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Commission.

##### ARTICLE III. POWERS AND DUTIES OF THE COMMISSION

A. The Commission shall adopt a seal and suitable bylaws governing its management and operations.

B. Irrespective of the civil service, personnel or other merit system laws of any of the compacting states, the Commission in its bylaws shall provide for the personnel policies and programs of the Compact.

C. The Commission shall submit a budget to the governor and legislature of each compacting state at such time and for such period as may be required. The budget shall contain specific recommendations of the amount or amounts to be appropriated by each of the compacting states.

D. The Commission shall report annually to the legislatures and governors of the compacting states, to the Midwestern Governors' Conference and to the Midwestern Legislative Conference of the Council of State Governments concerning the activities of the Commission during the preceding year. Such reports shall also embody any recommendations that may have been adopted by the Commission.

E. The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, foundation, person, firm or corporation.

F. The Commission may accept for any of its purposes and functions under the Compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, foundation, person, firm, or corporation, and may receive, utilize and dispose of the same.

G. The Commission may enter into agreements with any other interstate education organizations or agencies and with higher education institutions located in non-member states and with any of the various states of these United States to provide adequate programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and interstate organizations or agencies, determine the cost of providing the programs and services in higher education for use of these agreements.

H. The Commission may establish and maintain offices, which shall be located within one or more of the compacting states.

I. The Commission may establish committees and hire staff as it deems necessary for the carrying out of its functions.

J. The Commission may provide for actual and necessary expenses for attendance of its members at official meetings of the Commission or its designated committees.

#### ARTICLE IV. ACTIVITIES OF THE COMMISSION

A. The Commission shall collect data on the long-range effects of the Compact on higher education. By the end of the fourth year from the effective date of the Compact and every two years thereafter, the Commission shall review its accomplishments and make recommendations to the governors and legislatures of the compacting states on the continuance of the Compact.

B. The Commission shall study issues in higher education of particular concern to the Midwestern region. The Commission shall also study the needs for higher education programs and services in the compacting states and the resources for meeting such needs. The Commission shall from time to time prepare reports on such research for presentation to the governors and legislatures of the compacting states and other interested parties. In conducting such studies, the Commission may confer with any national or regional planning body. The Commission may draft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of higher education.

C. The Commission shall study the need for provision of adequate programs and services in higher education, such as undergraduate, graduate or professional student exchanges in the region. If a need for exchange in a field is apparent, the Commission may enter into such agreements with any higher education institution and with any of the compacting states to provide programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and the compacting states, determine the costs of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute the funds not otherwise provided, as determined by the Commission, for carrying out the agreements. The Commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and services.

D. The Commission shall serve as a clearinghouse on information regarding higher education activities among institutions and agencies.

E. In addition to the activities of the Commission previously noted, the Commission may provide services and research in other areas of regional concern.

#### ARTICLE V. FINANCE

A. The monies necessary to finance the general operations of the Commission not otherwise provided for in carrying forth its duties, responsibilities and powers as stated herein shall be appropriated to the Commission by the compacting states, when authorized by the respective legislatures by equal apportionment among the compacting states.

B. The Commission shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same; nor shall the Commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

C. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

D. The accounts of the Commission shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states and persons authorized by the Commission.

#### ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE

A. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin shall be eligible to become party to this Compact. Additional states will be eligible if approved by a majority of the compacting states.

B. As to any eligible party state, this Compact shall become effective when its legislature shall have enacted the same into law; provided that it shall not become initially effective until enacted into law by five states prior to the 31st day of December 1995.

C. Amendments to the Compact shall become effective upon their enactment by the legislatures of all compacting states.

#### ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION

A. Any compacting state may withdraw from this Compact by enacting a statute repealing the Compact, but such withdrawal shall not become effective until two years after the enactment of such statute. A withdrawing state shall be liable for any obligations which it may have incurred on account of its party status up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of such obligation.

B. If any compacting state shall at any time default in the performance of any of its obligations, assumed or imposed, in accordance with the provisions of this Compact, all rights, privileges and benefits conferred by this Compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the Commission, and the Commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default shall be remedied under the stipulations and within the time period set forth by the Commission, this Compact may be terminated with respect to such defaulting state by affirmative vote of a majority of the other member states. Any such defaulting state may be reinstated by performing all acts and obligations as stipulated by the Commission.

#### ARTICLE VIII. SEVERABILITY AND CONSTRUCTION

The provisions of this Compact entered into hereunder shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any compacting state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact entered into hereunder shall be held contrary to the constitution of any compacting state, the Compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this Compact entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

**History:** 1990, Act 195, Imd. Eff. July 25, 1990.

**MIDWESTERN HIGHER EDUCATION COMPACT (EXCERPT)**  
**Act 195 of 1990**

**390.1532 State's members of midwestern higher education commission; nonvoting member; vacancy.**

Sec. 2. (1) The state's members of the midwestern higher education commission created in section 1 shall be all of the following:

- (a) The governor or the governor's designee.
- (b) One member of the senate, appointed by the senate majority leader.
- (c) One member of the house of representatives, appointed by the speaker of the house of representatives.
- (d) Two at-large members, appointed by the governor.

(2) In addition to the state's members listed in subsection (1), the governor shall appoint the designee of the state board of education to serve as a nonvoting member of the state's delegation. This individual is not a member of the midwestern higher education commission and does not have a vote in decisions made by the state's members.

(3) A vacancy in a position in the state's delegation to the midwestern higher education commission shall be filled for the remainder of the unexpired term in the same manner as that specific position was filled under subsection (1).

**History:** 1990, Act 195, Imd. Eff. July 25, 1990.



## ***THE MIDWESTERN HIGHER EDUCATION COMPACT (MHEC) IN MICHIGAN***

### ***(THE NUMBERS TELL THE STORY)***

**\$6.6 MILLION** of savings to Michigan entities and citizens in 2004-05 from using MHEC programs.

**80 to 1 BENEFIT/COST RATIO** for Michigan 2004-05 annual savings using MHEC programs compared to Michigan's state obligation payment.

**\$23.3 MILLION** of computer hardware purchased from the MHEC contracts by Michigan entities in 2004-05 saving \$2.1 million saving **\$2.1 million**.

**1040 MICHIGAN SCHOOL DISTRICTS** and **LOCAL GOVERNMENTS** purchased **\$17.2 MILLION** of computer hardware from the MHEC contracts in 2004-05 **SAVING \$1.55 million**.

**\$6.1 MILLION** of computer hardware purchases by **41 MICHIGAN COLLEGES** from MHEC contracts in 2004-05 **SAVING NEARLY \$550,000**.

**\$8.7 BILLION** of property insured at 11 Michigan universities through the MHEC property insurance program **SAVING \$5.1 MILLION** in 11 years.

**\$7.3 MILLION OF TUITION SAVINGS** to Michigan citizens in 11 years using the MHEC Midwest Student Exchange Program.

**\$712,000 IN SAVINGS** in three years for Michigan colleges using the MHEC Novell software program

**\$0 difference** in Michigan's MHEC state obligation compared to the other Compact states. For example, Michigan pays the same annual obligation as North Dakota, the smallest state in the Compact.

**OVER 40 POLICY INDICATORS** on Michigan reported annually in briefs and reports comparing Michigan's postsecondary performance to other MHEC states

**OVER 900** reports on salient postsecondary policy issues available to Michigan policy makers through the MHEC online Postsecondary Education Resource Library (PERL)

**AN ANNUAL POLICY SUMMIT** on critical postsecondary policy issues bringing Michigan policy leaders together with others throughout the region to collaboratively explore solutions. Michigan participants' costs are subsidized by MHEC.

*Midwestern Higher Education Compact*

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# MHEC Program Savings for 12 Months

	What States Pay 2004-2005	What States Save	Where States and Citizens Save					Student Access	
	Member State Annual Obligations to MHEC	Total Annual Savings	Net Annual Savings	Cost Savings Programs					
State				Computing Hardware Program <sup>2</sup>	Computing Software Program <sup>3</sup>	Master Property Insurance Program <sup>4</sup>	Office Products Program <sup>5</sup>	Telecom & Technology ATAlliance Program <sup>6</sup>	Midwest Student Exchange Program <sup>7</sup>
1. Illinois	82,500	6,431,251	6,348,751	4,204,287	457,354	944,059	51,316	774,235	NP <sup>8</sup>
2. Indiana	82,500	3,460,362	3,377,862	2,847,877	144,446	NP <sup>8</sup>	36,439	431,600	NP <sup>8</sup>
3. Iowa <sup>1</sup>	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. Kansas	82,500	3,099,861	3,017,361	49,956	86,908	40,090	607	198,500	2,723,800
5. Michigan	82,500	6,595,067	6,512,567	2,099,381	324,177	486,026	11,283	2,379,500	1,294,700
6. Minnesota	82,500	2,603,299	2,520,799	235,434	100,553	1,043,679	12,533	637,600	573,500
7. Missouri	82,500	4,923,439	4,840,939	1,475,796	93,983	988,932	5,728	385,700	1,973,300
8. Nebraska	82,500	3,844,323	3,761,823	117,129	32,734	428,443	117	134,800	3,131,100
9. North Dakota	82,500	276,574	194,074	20,867	25,515	NP <sup>8</sup>	192	118,800	111,200
10. Ohio	82,500	3,151,100	3,068,600	1,411,894	241,206	NP <sup>8</sup>	92,300	1,405,700	NP <sup>8</sup>
11. Wisconsin	82,500	976,625	894,125	388,726	24,911	NP <sup>8</sup>	1,263	561,725	NP <sup>8</sup>
Program Totals	\$825,000	\$35,361,901	\$34,536,901	\$12,851,348	\$1,531,787	\$3,931,229	\$211,778	\$7,028,160	\$9,807,600

## Footnotes:

<sup>1</sup> Iowa became a member of MHEC on June 6, 2005.

<sup>2</sup> Hardware program savings include those from Dell, Gateway, IBM, and Xerox

<sup>3</sup> Software program savings are from the Novell/MHEC Collaborative Program

<sup>4</sup> Based on premium & loss information as of June 30, 2005

<sup>5</sup> Includes the first two quarters of the Office Products Program

<sup>6</sup> ATAlliance estimated savings for joint programs with the three other regional higher education compacts and MiCTA

<sup>7</sup> Student tuition savings for the academic year 2004-2005

<sup>8</sup> Non-participating state for 2004-2005



# Cumulative Savings for MHEC Member States through June 2005

Member States	Cost Savings Programs						Student Access	Savings		
	Computing Hardware Program <sup>2</sup>	Computing Software Program <sup>3</sup>	Master Property Program (Insurance) <sup>4</sup>	Office Products Program <sup>5</sup>	Telecom & Technology AT Alliance Program <sup>6</sup>	Other Initiatives <sup>7</sup>		Cumulative STATE GROSS SAVINGS	Cumulative Dues Paid through 11/01/2005	Cumulative STATE NET SAVINGS
<b>Illinois</b> IL August 20, 1991	7,433,706	1,226,252	5,560,128	51,316	8,423,603	6,055,215	NA	28,750,220	833,905	27,916,315
<b>Indiana</b> IN March 14, 1996	4,992,274	477,636	NA	36,439	4,192,515	273,308	NA	9,972,172	661,500	9,310,672
<b>Iowa<sup>1</sup></b> IA June 6, 2005	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Kansas</b> KS April 25, 1990	108,140	186,608	190,316	607	2,497,263	291,264	24,341,900	27,616,098	835,500	26,780,598
<b>Michigan</b> MI July 24, 1990	3,897,938	711,872	5,073,064	11,283	36,906,408	2,457,168	7,308,500	56,366,233	835,500	55,530,733
<b>Minnesota</b> MN April 26, 1990	535,379	290,515	5,674,999	12,533	7,033,742	3,743,565	2,712,800	20,003,533	835,500	19,168,033
<b>Missouri</b> MO May 9, 1990	2,251,415	291,809	6,685,521	5,728	3,661,273	1,399,463	9,028,000	23,323,209	835,500	22,487,709
<b>Nebraska</b> NE June 5, 1991	644,735	81,591	3,279,759	117	1,834,596	115,132	16,915,600	22,871,530	835,500	22,036,030
<b>North Dakota</b> ND April 22, 1999	55,529	57,579	NA	192	971,326	28,800	252,900	1,366,326	487,500	878,826
<b>Ohio</b> OH January 9, 1991	2,031,044	723,909	45,000	92,300	26,429,334	3,151,531	NA	32,473,118	835,500	31,637,618
<b>Wisconsin</b> WI April 18, 1994	468,609	39,159	NA	1,263	5,825,330	620,887	NA	6,955,248	695,000	6,260,248
<b>TOTAL</b>	<b>\$22,418,769</b>	<b>\$4,086,929</b>	<b>\$26,508,787</b>	<b>\$211,778</b>	<b>\$97,775,390</b>	<b>\$18,136,333</b>	<b>\$60,559,700</b>	<b>\$229,697,686</b>	<b>\$7,690,905</b>	<b>\$222,006,781</b>

## Footnotes:

<sup>1</sup> Iowa became a member of MHEC on June 6, 2005.

<sup>2</sup> Hardware program savings include those from Dell, Gateway, IBM, and Xerox.

<sup>3</sup> Software program savings are from the Novell/MHEC Collaborative Program.

<sup>4</sup> Based on premium & loss information as of June 30, 2005

<sup>5</sup> Includes the first two quarters of the Office Products Program

<sup>6</sup> AT Alliance estimated savings for joint programs with the other regional higher education compacts and MICTA

<sup>7</sup> Sunsetting Programs: Academic Position Network, Academic Scheduling, Equipment Maintenance Management, Natural Gas, and MHEC Interactive Video

<sup>8</sup> Student tuition savings through the academic year 2004-2005

November 23, 2005

